

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**Comprehensive Annual
Financial Report**



For the Fiscal Year Ended June 30, 2006

Prepared by

Mr. Felix K. Boughton
Executive Director of Finance

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-24-07

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**INTRODUCTORY
SECTION**

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INTRODUCTORY SECTION

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

List of Principal Officials
June 30, 2006

BOARD OF EDUCATION

Mr. Russell Jack	Member, District No. 1
Ms. Elexia Henderson	Member, District No. 2
Dr. Gerald J. Keller	President, District No. 3
Mr. Patrick H. Sanders	Vice President, District No. 4
Mr. Dowie L. Gendron	Member, District No. 5
Mr. Keith Jones	Member, District No. 6
Mr. Phillip Johnson	Member, District No. 7
Mr. Russ Wise	Member, District No. 8
Mr. Lowell Bacas	Member, District No. 9
Mr. Matthew J. Ory	Member, District No. 10
Mr. Clarence Triche	Member, District No. 11

CENTRAL ADMINISTRATION

Mr. Michael K. Coburn	Superintendent of Schools
Mr. Wilbert Omond	Assistant Superintendent
Mr. Herbert Smith	Assistant Superintendent

OFFICIAL PREPARING REPORT

Mr. Felix K. Boughton	Executive Director of Finance
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St. John the Baptist Parish School Board

Making A Difference: Accountability Assessment Achievement

Gerald J. Keller, Ph.D.
Board President

Patrick H. Sanders
Vice-President

Michael K. Coburn
Superintendent

BOARD MEMBERS

Russell Jack
District No. 1
492 Central Avenue
Edgard, LA 70049
985-497-8395

Elaxia Henderson
District No. 2
257 Chestnut Street
Mt. Airy, LA 70076
985-535-2832

Gerald J. Keller, Ph.D.
District No. 3
P.O. Box 347
Reserve, LA 70084
985-536-6570

Patrick H. Sanders
District No. 4
137 E. 31st Street
Reserve, LA 70084
985-536-4247

Dowie L. Gendron
District No. 5
775 West 5th Street
LaPlace, LA 70068
985-652-6421

Keith Jones
District No. 6
P.O. Box 952
LaPlace, LA 70069
985-652-5170

Phillip Johnson
District No. 7
1117 Cinolair Loop
LaPlace, LA 70068
985-651-4290

Russ Wise
District No. 8
2131 Marion Drive
LaPlace, LA 70068
985-652-7211

Lowell Bacas
District No. 9
517 Parlange Loop
LaPlace, LA 70068
985-652-6882

Matthew J. Ory
District No. 10
640 S. Golfview Drive
LaPlace, LA 70068
985-652-7312

Clarence Triche
District No. 11
1614 Main Street
LaPlace, LA 70068
985-652-6193

October 30, 2006

Members, Board of Education
St. John the Baptist Parish School Board
Reserve, Louisiana

The Comprehensive Annual Financial Report (CAFR) of the St. John the Baptist Parish School Board (School Board), Reserve, Louisiana for the fiscal year ended June 30, 2006 is presented herewith. The report was prepared by the School Board's business office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the School Board. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the School Board as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the School Board's financial affairs have been included.

Reporting Standards

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States of America and Canada and the Association of School Board Officials. A Certificate of Achievement for Excellence in Financial Reporting is awarded by the Government Finance Officers Association to those governments whose financial reports are judged to conform substantially with high financial reporting standards. A Certificate of Excellence in Financial Reporting is awarded by the Association of School Board Officials International. Both of these evaluations include reporting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The School Board is required to undergo an annual single audit in conformance with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditors' reports on internal control and compliance, are included in a separately issued single audit report and is available upon request.

Report Organization

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. Additionally, performance and statistical data are included as required by state law. The introductory section includes this letter of transmittal, an organizational chart and a list of the St. John the Baptist Parish School Board's principal elected and appointed officials. The financial section includes the management's discussion and analysis (page 3), basic financial statements (beginning on page 15), major fund budgetary comparisons (page 53), non-major fund combining statements (page 58), as well as the independent auditors' report (page 1). The statements and schedules are particularly useful in assessing the financial position of the School Board. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Management's Discussion and Analysis

The Management's Discussion and Analysis on page 3 provides an overall review of the School Board's activities for the year ended June 30, 2006. Included in this analysis are discussions on budget variances and modifications and the financial condition of the School Board.

Reporting Entity

This report includes all funds and account groups of the School Board. The School Board is a legislative body authorized to govern the public education system of St. John the Baptist Parish, Louisiana. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. The School Board operates 12 schools within the parish with a total enrollment of 6,764 pupils for the year ended June 30, 2006. Projected enrollment for the upcoming year is expected to approximate 6,499 pupils. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities, to determine the number of teachers to be employed and to determine the local supplement to their salaries. Accordingly, since the School Board members are elected by the public and have decision-making authority, the power to influence operations and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. Based on that criteria the St. John the Baptist Parish School Board and all its individual schools constitute the School Board's reporting entity.

Services Provided

The St. John the Baptist Parish School Board is a legislative body authorized to govern the public education system of the Parish of St. John the Baptist, Louisiana. It is the responsibility of the School Board to make public education available to the residents of St. John the Baptist Parish by providing various services, including instruction, instructional materials, instructional facilities, administrative support, business services, system operations, plant maintenance and bus transportation.

Structure, Local Economic Condition and Outlook

The St. John the Baptist Parish School Board, established in 1876, is located in the southeastern part of Louisiana, which is a high industrial area for the state. The parish in which the School Board is located has a land area of 231 square miles and a population of 46,014. The School

Board is empowered to levy a property tax on both real and personal property located within its boundaries. The School Board also levies a sales and use tax on the sale at retail, the use, the lease or rental, and the consumption of tangible personal property and upon sales of some services within its boundaries.

The School Board has operated under the board form of government. Policymaking is vested in the School Board, which consists of eleven members elected within their respective districts for a four-year term. The School Board is responsible, among other things, for passing local ordinances, adopting the budget, appointing committees, adhering to the Louisiana Board of Elementary and Secondary Education's requirements, and hiring the Superintendent and the School Board's attorney. The Superintendent is responsible for carrying out the policies and ordinances of the School Board, for overseeing the day to day operations of the School Board, for informing the School Board of changes in the Louisiana Board of Elementary and Secondary Education requirements, and for making recommendations when these changes occur to ensure compliance.

The School Board finished 2006 with a fund balance in the General Fund of \$ 9,515,593, which reflects a \$ 4,447,411 increase in the prior year's fund balance.

The Parish has a manufacturing and industrial base on which the unemployment rate is somewhat dependent. The major industries with operations within the parish consist mainly of oil and chemical manufacturers. The Parish also has one steel manufacturing industry. The Parish's unemployment rate is 4.6 %, which is slightly higher than the state's unadjusted rate of 4.8% as of January 2006.

Major Initiatives and Major Operational/Financial Concerns

For the Year: The School Board finished 2006 with a General Fund surplus of approximately 15% of the General Fund Budget. The Budgetary Comparison Schedule can be seen on page 54 of the CAFR. The surplus increased significantly from 2005 and allows the School Board to continue to fund the various educational programs. As the financial position gets stronger, financial resources will be allocated to areas that have the most effect on student achievement.

The School Board has continued its parish-wide computer network called STEP (Schools Technology for Excellence Program). This program supplies all grade levels with computers. These computers allow all students to become computer literate while integrating technology into the curriculum.

The School Board operates a Redirection Center. The Redirection Center focuses on students with disciplinary problems. These students are removed from the regular school setting and placed at this center where they receive stricter discipline and individual counseling.

Because of the increased emphasis on early childhood development, the School Board operates an early childhood center. This center focuses on 4-year old students through kindergarten and concentrates on developing skills that will aid these students throughout their scholastic career.

The State of Louisiana requires all fourth and eighth grade students to pass a standard test (LEAP Test) before they are allowed to advance to the next grade. The School Board offers an after school assistance program during the year for students having problems with the skills necessary

to pass this test. In addition the School Board offers a mandatory Summer School Remediation Program for all students that do not pass this LEAP test. This summer program focuses strictly on teaching the skills necessary to pass the LEAP test. Students can re-take the LEAP test after completion of this summer program

The School Board operates two magnet schools: The Garyville/Mt. Airy Magnet School and the John L. Ory Magnet School. The Garyville/Mt. Airy Magnet School specializes in the math and science areas and provides advanced curriculum in these areas. The John L. Ory Magnet School specializes in communication arts, with a curriculum rich in communication skills.

The aftermath of Hurricane Katrina the school system took in approximately 1,700 displaced students. These students were assigned to their respective schools in the district. To maintain proper student to teacher ratios, teachers and support staff were hired. These displaced students received qualified regular and any specially needed instruction. Approximately 500 of these students remained throughout the school year. The senior students graduated and were considered graduates from the school they were displaced from. Temporary classrooms were not needed in that the system used all available classroom space.

For the Future: Now that salaries for certified personnel have been moved into the top ten percentile for teachers on Louisiana, to maintain a qualified staff it will be necessary to maintain a top ten status.

The administration is preparing a long term strategic plan to compensate for enrollment increases and to strengthen the education of its secondary students. The system is exploring the possibilities of building new schools. A new elementary school may be needed to relieve the over crowding at current elementary schools. A career and technical center is being considered to offer technical course options to students planning on trades or entering the workforce rather than attending college.

Marathon Oil Company, the Parish's largest taxpayer, announced that it plans to expand its local refinery in St. John the Baptist Parish. The anticipated cost of this expansion is 2.5 billion dollars. Management is in the process of analyzing the economic effect that this type of expansion will have on the school system. If this expansion occurs, St. John the Baptist Parish will become one of the wealthiest parishes in Louisiana. A proposed start for the expansion could be as soon as mid-2007.

Major Concerns: One major financial concern is the increase in health insurance and retirement benefits. In past years, the School Board's benefits percentage was approximately 30% of payroll. Because of insurance and retirement increases this percentage is approaching 40%. To remain competitive with surrounding parishes these benefits are necessary expenditures. The Board will have to find revenues to continue to pay these employee benefits.

Another financial concern is the affect GASB 45 will have on the Government-Wide Financial Statements. Management is currently evaluating GASB 45 and plans on implementing this standard in fiscal year ending June 30, 2007.

St. John the Baptist Parish School Board was affected by Hurricane Katrina. Although the infrastructure of the Board did sustain damage, the Board was able to re-open schools only 9

days after the hurricane made landfall. The Board accepted approximately 1,700 displaced students from surrounding school systems. This represents a 25% increase in enrollment.

Although several students have since went back to their original school systems, the St. John School System did incur over \$ 4,500,000 in extra costs to educate these displaced students.

Long Term Financial Planning

In order to alleviate the overcrowding due to the growth in student population, in September 2006, the Board borrowed \$18,000,000 in revenue bonds. The proceeds from these bonds will be used to build a new elementary school and a new ninth grade wing at the largest High School. The Board received an AAA rating on these bonds from Standard and Poors.

FINANCIAL INFORMATION

Internal Control

The management of the St. John the Baptist Parish School Board is responsible for establishing and maintaining internal controls designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits require estimates and judgments by management.

Single Audit

As a recipient of federal, state and local financial assistance, the School Board is also responsible for ensuring that adequate internal control is in place to ensure and document compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management.

As part of the School Board's single audit, tests are made of the School Board's internal control and of its compliance with applicable laws and regulations, including those related to federal award programs. The results of the audit for the year ended June 30, 2006, disclosed no material internal control weaknesses or material violations of laws and regulations.

Budgetary Controls

In addition, the government maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, and all subsequent amendments, approved by the School Board. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length budgets are prepared for the Capital Projects Funds. Budgetary control is maintained at the fund level. Variances with the budget at this level, as well as line item levels, are reported to the School Board's management monthly. The School Board also maintains an encumbrance accounting system for the General Fund as one technique of accomplishing budgetary control.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the School Board's debt position. As of June 30, 2006, gross direct general obligation bonded debt was \$ 17,765,000, net bonded debt was \$ 15,248,646, 7.24% of the assessed value and \$ 305 per capita, a decrease from \$424 per capita in 2005.

The School Board's general obligation bonds and revenue bonds are rated by Moody's bond rating service and Standard and Poor's rating service. The latest rating given in September 2006 was an AAA.

Cash Management

The School Board currently invests its cash and investment funds of \$21,120,344 as of June 30, 2006 with either the local banks based on competitive bid or invests in governmental securities through a national investment firm. At June 30, 2006, the School Board had cash and cash equivalents invested through the Board's fiscal agents (local banks) of \$13,182,833 of which the carrying amount reflected in the financial statements is \$14,050,484. These funds are secured by federal deposit insurance and the pledge of bank-owned securities. The remainder of the School Board's funds are invested with the Louisiana Asset Management Pool, Inc. (LAMP) and individual certificates of deposits. At June 30, 2006, the School Board had with LAMP an investment with LAMP in the amount of \$6,794,860, and a certificate of deposit of \$275,000. The investments are purchased and held by the investment firm in the name of the School Board. As required by generally accepted accounting principles, investments are recorded at fair value.

Risk Management

The St. John the Baptist Parish School Board manages its risk using excess insurance policies with various high deductibles and self-insured retention. For workers' compensation, the School Board's self-insured retention is \$200,000 per occurrence. This translates into the School Board being self-insured for the first \$200,000 on a worker's compensation claim with excess insurance paying amounts over this retention. For property and general/fleet liability, the School Board pays claims on the first \$250,000 of each occurrence with excess insurance being paid up to \$2,000,000. The claim liability at June 30, 2006 was approximately \$ 705,585.

Independent Audit

As required by Louisiana State Statute, the School Board has had an annual audit by independent certified public accountants, Rebowe & Company, APC. The independent auditors' report on the basic financial statements has an unqualified opinion. The audit meets the requirements of Louisiana State Law and the Single Audit Act of 1996 and related OMB Circular A-133. The independent auditors' report on the basic financial statements is included in the financial section of this report; the single audit reports are included in a separately issued document.

Awards

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the St. John the Baptist School Board for its comprehensive annual

financial report for the year ended June 30, 2005. This was the School Board's ninth year to receive this prestigious award for its report. The School Board also submitted its June 30, 2005 comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada (GFOA) and was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting to the School Board for the eighth year.

In order to be awarded a Certificate of Excellence and Certificate of Achievement, the School Board published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

Both the Certificate of Excellence and Certificate of Achievement are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Program requirements of both organizations and we are submitting it to the ASBO and GFOA to determine its eligibility for each of the certificates.

Acknowledgments

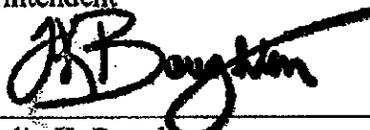
We believe that this report contains the necessary information and data, which will provide a better understanding of the operations of our school system. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

We would like to take this opportunity to express our sincere appreciation to the accounting staff and other participating employees whose efforts contributed significantly in the timely preparation of this report.

Respectfully submitted,



Mr. Michael Coburn
Superintendent



Mr. Felix K. Boughton
Business Manager

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FINANCIAL SECTION

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. John the Baptist
Parish School Board,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Emmer

Executive Director

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

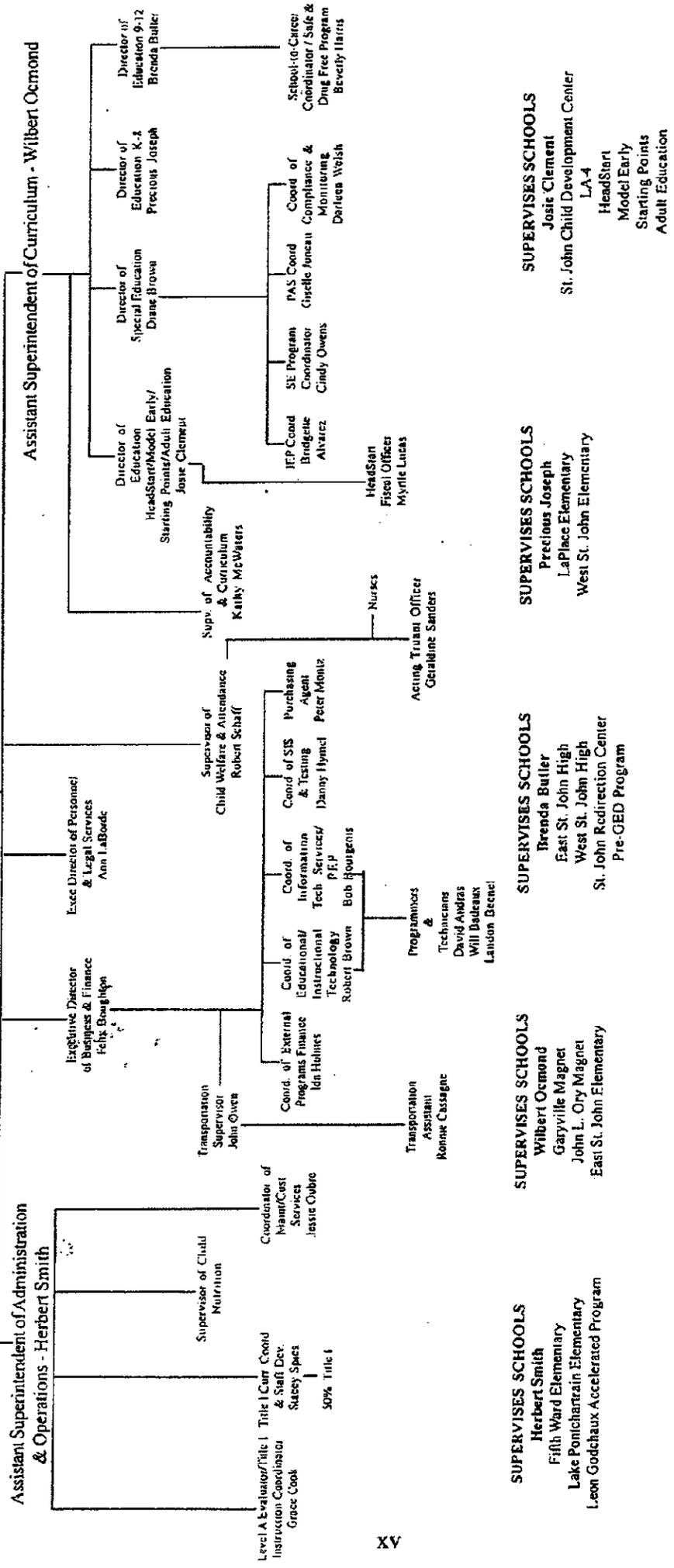
President

Interim Executive Director

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ORGANIZATIONAL CHART

St. John the Baptist Parish Community
 St. John the Baptist Parish School Board
 Superintendent - **Michael K. Coburn**



SUPERVISES SCHOOLS
 Herbert Smith
 Fifth Ward Elementary
 Lake Pontchartrain Elementary
 Leon Godchaux Accelerated Program

SUPERVISES SCHOOLS
 Wilbert Osmond
 Garyville Magnet
 John L. Ory Magnet
 East St. John Elementary

SUPERVISES SCHOOLS
 Brenda Butler
 East St. John High
 West St. John High
 St. John Redirection Center
 Pre-GED Program

SUPERVISES SCHOOLS
 Precious Josepha
 LaPlace Elementary
 West St. John Elementary

SUPERVISES SCHOOLS
 Josie Clement
 St. John Child Development Center
 LA-4
 HeadStart
 Model Early
 Starting Points
 Adult Education

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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **St. John the Baptist Parish School Board** (the "School Board"), as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2006 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 53 through 57, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rebowe & Company

October 30, 2006

REQUIRED SUPPLEMENTARY INFORMATION

PART I

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2006

The Management's Discussion and Analysis (MD&A) of the St. John the Baptist Parish School Board ("School Board") financial performance provides an overall review and an objective, easily readable analysis of the School Board's financial activities for the fiscal year ended June 30, 2006. The intent of the MD&A is to review the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal (Page vi) of the Introductory Section in the School Board's Financial Statements, and the Notes to the Financial Statements.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis to provide a more meaningful comparative analysis of the governmental data.

FINANCIAL HIGHLIGHTS

Key financial highlights for the years ending June 30, 2006 and 2005 include the following:

Net assets amounted to \$22,104,448 and \$12,958,287 for the years ended June 30, 2006 and 2005, respectively. The net amounts were composed of the following elements:

	<u>Net Amount</u>	
	<u>2006</u>	<u>2005</u>
Invested in capital assets, net of related debt	\$ 9,931,558	\$ 1,565,657
Restricted for:		
Debt Service	2,619,916	1,660,834
Unrestricted	<u>9,552,974</u>	<u>9,731,796</u>
Total Net Assets	<u>\$ 22,104,448</u>	<u>\$ 12,958,287</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)
June 30, 2006

Net Assets increased from July 1, 2005 to June 30, 2006 by \$9,146,161. Although there are many factors that make up this increase, the largest factor is the increase in sales and property tax revenues. However, the net assets increased by \$3,917,883 in the previous year. This change is the result of an increase in sales tax collections.

The amount "Invested in capital assets, net of related debt", represents the School Board's net book value of its fixed assets net of the current balances of debt incurred to acquire the capital assets. It is the accumulation of years of investments in capital projects. The net assets restricted for debt service represents accumulation of excess revenues over bond payments and can only be used for the retirement of debt. Unrestricted Net Assets of \$9,552,974 represents years of excess revenues over expenditures. This balance can be used for any legal purpose and has not been dedicated for any purpose by the School Board.

As of June 30, 2006 and 2005, total assets amounted to \$54,517,827 and \$47,521,302, respectively, attributed to the following elements:

	<u>2005</u>	<u>2005</u>
Cash and cash equivalents	\$ 14,050,484	\$ 9,432,354
Investments	7,069,860	3,878,673
Other receivables	39,403	29,301
Due from other governments	2,861,129	1,431,184
Inventory	105,393	69,133
Capital assets (net of accumulated depreciation)	<u>30,391,558</u>	<u>32,680,657</u>
TOTAL ASSETS	<u>\$ 54,517,827</u>	<u>\$ 47,521,302</u>

The School Board keeps strong cash and investment positions. Throughout the year, funds are continually transferred between cash and investments to maximize investment earnings. Due from other governments represents federal and state grant monies due at year end. Capital assets represent the investment in capital projects over the history of the School Board.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

As of June 30, 2006 and 2005, total liabilities amounted to \$32,413,379 and \$34,563,015, respectively, due to the following items:

	<u>2006</u>	<u>2005</u>
Accounts, salaries, and other payables	\$ 7,504,744	\$ 6,458,691
Deferred revenue	15,628	23,237
Interest payable	233,562	268,216
Other liabilities	1,353,419	840,068
Liabilities due within one year	4,170,000	4,175,000
Liabilities due in more than one year	<u>19,136,026</u>	<u>22,797,803</u>
TOTAL LIABILITIES	<u>\$ 32,413,379</u>	<u>\$ 34,563,015</u>

Accounts, salaries, and other payables represent normal year end payables and the accrued summer payroll. Liabilities due within one year represent the current portion due of the bonded debt. Liabilities due in more than one year represent the long term portion of bonded debt.

As of June 30, 2006 and 2005, total net assets amounted to \$22,104,448 and \$12,958,287 as follows:

	<u>2006</u>	<u>2005</u>
Invested in capital assets, net of related debt	\$ 9,931,558	\$ 1,565,657
Restricted for:		
Debt Service	2,619,916	1,660,834
Unrestricted	<u>9,552,974</u>	<u>9,731,796</u>
TOTAL NET ASSETS	<u>\$ 22,104,448</u>	<u>\$ 12,958,287</u>

As of June 30, 2006 and 2005, total revenues amounted to \$75,690,951 and \$62,267,128, respectively, due to the following items:

	<u>2006</u>	<u>2005</u>
General Revenues:		
Minimum Foundation Program	\$ 30,309,663	\$ 27,926,012
Sales Taxes	19,515,747	14,501,522
Ad Valorem Taxes	9,410,992	8,637,015
All Other Sources	2,981,492	1,436,626
Program Revenues:		
Federal Grants	12,254,976	8,835,206
Other State and Local Grants	<u>1,218,081</u>	<u>930,747</u>
TOTAL REVENUES	<u>\$ 75,690,951</u>	<u>\$ 62,267,128</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

Minimum Foundation Program Revenue increased primarily because student enrollment increased due to Hurricane Katrina. Sales taxes increased primarily because of overall improvements in the local economy.

The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the state, amounting to \$30,309,663. This MFP formula establishes a standard of local support for each school system based on the state average local support relative to the system's capacity to raise local funds. Because the student population increased, the MFP distribution increased by approximately \$2.4 million or 8.5%.

Grant revenue increased by approximately \$3.5 million from the prior year. The School Lunch Program and Title I continue to be the largest federally funded programs with \$2,492,766 and \$2,271,019 in grant revenue, respectively.

As of June 30, 2006 and 2005, total revenues were \$75,690,951 and \$62,267,128, respectively. The change in net assets was \$9,146,161 and \$3,917,883, respectively.

As of June 30, 2006 and 2005, total expenses amounted to \$66,544,790 and \$58,349,245, respectively, due to the following items:

	<u>2006</u>	<u>2005</u>
Instruction related expenses	\$ 40,753,914	\$ 36,247,697
Support Services	25,009,327	21,144,704
Interest on debt	<u>781,549</u>	<u>956,844</u>
TOTAL EXPENSES	<u>\$ 66,544,790</u>	<u>\$ 58,349,245</u>

Expenditures have remained relatively constant with the exception of normal salary increases and the rise in health insurance costs. Health insurance continues to rise annually each year at rates significantly higher than inflation.

See Table I on the following page for a detail of the changes in Net Assets for the years ended June 30, 2006 and 2005.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)
June 30, 2006

Table I
Changes in Net Assets
Governmental Activities

	<u>2006</u>	<u>2005</u>
Revenues:		
Program revenues:		
Charges for services	\$ 212,647	\$ 200,657
Operating grants and contributions	13,260,410	9,765,953
General Revenues:		
Property taxes, levied for general purposes	4,518,742	4,165,533
Property taxes, levied for debt service	4,892,250	4,471,482
Sales and use taxes, levied for general purposes	16,662,031	12,349,072
Sales and use taxes, levied for public improvement	2,853,716	2,152,450
State revenue sharing	195,891	197,390
Minimum Foundation Program	30,309,663	27,926,012
Other	2,172,411	808,541
Interest and investment earnings	613,190	230,038
Total revenues	<u>75,690,951</u>	<u>62,267,128</u>
Expenses:		
General government		
Instruction:		
Regular programs	24,349,500	21,379,204
Special programs	12,942,963	12,063,500
Vocational programs	215,483	219,572
All other programs	3,245,968	2,585,421
Support services:		
Student Services	2,660,527	2,336,802
Instructional staff support	993,860	909,696
General administration	2,662,521	2,710,209
School administration	3,721,536	3,154,429
Business services	543,780	525,486
Plant services	7,507,573	4,973,360
Student transportation services	3,043,732	2,893,520
Central services	801,433	745,169
Food services	3,074,365	2,896,033
Interest on long-term debt	781,549	956,844
Total expenses	<u>66,544,790</u>	<u>58,349,245</u>
Increase (decrease) in net assets	9,146,161	3,917,883
Net assets - Beginning	12,958,287	9,040,404
Net assets - Ending	<u>\$ 22,104,448</u>	<u>\$ 12,958,287</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The School Board's CAFR consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a financial whole, i.e., an entire operating entity, its funds, and its fiduciary responsibilities. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities (pages 15-16) provide highly consolidated financial information, and render a government-wide perspective of the School Board's financial condition. The Fund Financial Statements (pages 17 through 23) provide the next level of detail and look at the School Board's most significant funds and a total of all other nonmajor funds.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's finances and a longer-term view of those finances. These statements seek to answer the question, "How did the School Board do financially during the 2005-2006 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

These two statements report the School Board's net assets and changes in those assets. By showing the change in net assets for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The causes of the change may be the result of many factors, both financial and non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include the School Board's property and sales tax base, student enrollment, facility conditions, required educational programs for which little or no funding is provided, or other external factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School Board's major funds begins on page 17. Fund Financial Statements provide more in-depth reporting of the School Board's financial position and the results of operations. Fund basis financial information is presented in the "Fund Financial Statements" Section. The School Board uses many funds to account for the numerous funding sources provided annually. However, the Fund Financial Statements look at the School Board's most significant funds with all non-major funds presented in

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

Fund Financial Statements provide more in-depth data on the School Board's most significant funds, such as its General Fund. This fund is considered a "major fund" under criteria established GASB Statement No. 34. While School Lunch/Breakfast, Capital Projects II Fund, and Sinking Fund are major funds, because of the School Board's focus on their operations.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods.

These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The relationship between governmental activities reported in the Basic Financial Statements and the governmental funds reported in the Fund Financial Statements are reconciled in the financial statements.

Statement of Fiduciary Net Assets - This statement presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

Governmental Activities

As reported in the Statement of Activities on page 16, the cost of the School Board's governmental activities for the year ended June 30, 2006 was \$53,071,733. The Statement of Activities shows the cost of program services and the charges and grants offsetting some of those services. Grants and contributions of \$13,260,410 subsidized certain programs, and charges for services for school lunches was the only contributor of charges for services totaling \$212,647. The remaining amount was financed by the taxpayers in the parish through ad valorem and sales and use taxes totaling \$28,926,739 and \$195,891 in State Revenue Sharing. The Minimum Foundation Program (MFP) from the State of Louisiana funded \$30,309,663 and other general revenues contributed the remainder. In Table II, which follows, the cost of the School Board's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the parish taxpayers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits they believe are provided by the function. The net cost also reflects the amount needed to finance these functions from general sources such as taxes and MFP.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

Table II
Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental activities:		
Instruction:		
Regular programs	\$ 24,349,500	\$(24,216,391)
Special programs	12,942,963	(9,264,617)
Vocational programs	215,483	(107,133)
All other programs	3,245,968	(2,126,363)
Support services:		
Student services	2,660,527	(2,660,527)
Instructional staff support	993,860	(993,860)
General administration	2,662,521	(1,321,236)
School administration	3,721,536	(3,721,536)
Business services	543,780	(543,780)
Plant services	7,507,573	(7,482,703)
Student transportation services	3,043,732	(2,934,379)
Central services	801,433	(801,433)
Food services	3,074,365	(368,952)
Interest on long-term debt	<u>781,549</u>	<u>(781,549)</u>
Total Governmental Activities	<u>\$ 66,544,790</u>	<u>\$(53,071,733)</u>

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and permit measurement in the short term of the revenues and expenditures of a particular activity or purpose (e.g., dedicated taxes and grant programs). The Fund Financial Statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the School Board and assess further the School Board's overall financial stability.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

As the School Board completed the fiscal year ended June 30, 2006, its combined fund balance was \$15,252,478 as compared to a combined fund balance of \$7,518,649 as of June 30, 2005. The majority of this increase is reflected in the General Fund and Capital Projects II Fund with increases in fund balances of \$4,447,411 and 2,355,118, respectively. These increases are attributable to an increase in sales and property tax revenues.

General Fund Budgetary Highlights

The School Board's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School Board was adopted on June 15, 2005 and the final revised budget was adopted on June 15, 2006.

A statement showing the School Board's original and final budget compared with actual operating results is provided in this CAFR beginning on page 54. The School Board's year-end actual results were better than had been budgeted, as conservative budgetary practices are customary. Revenues are forecast conservatively and expenditures are budgeted in anticipation of all possible costs and projects. The General Fund's actual revenues exceeded projected revenues by \$460,080. However, total expenditures were less than projected by \$2,979,325. The undesignated fund balance of \$9,281,688 in the General Fund is better than anticipated (by approximately \$3,500,000), which represented approximately 6% of the budget.

A comparison of actual results as of June 30, 2006 and the original budget for the General Fund are as follows:

Table III
Original Budget Comparison
June 30, 2006

	<u>Original Budget</u>	<u>Actual</u>	<u>Difference</u>
Total Revenues	\$ 49,820,633	\$ 61,310,738	\$ 11,490,105
Total Expenditures	(53,606,482)	(56,863,327)	(3,256,845)
Other Financing Sources	<u>1,794,599</u>	<u>-</u>	<u>(1,794,599)</u>
Net Change in Fund Balance	<u>\$ (1,991,250)</u>	<u>\$ 4,447,411</u>	<u>\$ 6,438,661</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

**Management's Discussion and Analysis (Continued)
June 30, 2006**

Significant variations between the original budget and the final amended budget are as follows:

Table VI
Original and Final Amended Budget Comparison
June 30, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Total Revenues	\$ 49,820,633	\$ 60,850,658	\$ 11,030,025
Total Expenditures	(53,606,482)	(59,842,652)	(6,236,170)
Other Financing Sources	<u>1,794,599</u>	<u>850,000</u>	<u>(944,599)</u>
Net Change in Fund Balance	<u>\$ (1,991,250)</u>	<u>\$ 1,858,006</u>	<u>\$ 3,849,256</u>

The budget variances reflected in the previous analyses are primarily the result of the unpredictability of increased enrollment due to the influx of students displaced by Hurricane Katrina.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2006, the School Board has approximately \$30 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Table V below shows the net book value of capital assets at the end of 2006.

Table V
Capital Assets

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Land	\$ 2,597,055	\$ 2,597,055
Buildings	27,024,141	28,975,770
Furniture and Equipment	770,362	969,565
Construction in Progress	<u>-</u>	<u>138,267</u>
Totals	<u>\$ 30,391,558</u>	<u>\$ 32,680,657</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Management's Discussion and Analysis (Continued)

June 30, 2006

During the current year, additions of \$620,152 of fixed assets were capitalized while \$514,394 was deleted. Depreciation for the year ended June 30, 2005 was \$1,951,629 for buildings and improvements and \$304,961 for furniture and equipment. More detailed information on capital assets is included in Note 6 on page 41 of the basic financial statements.

At June 30, 2006, the School Board had outstanding indebtedness of \$20,460,000. In accordance with LSA-R.S.39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of the taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2006, the statutory limit was \$99,989,000. Other long-term obligations include accrued sick leave and annual leave at June 30, 2006 of both current and long-term obligations was \$2,846,026. More detailed information on long term obligations and debt is included in Note 9 on page 43 of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The financial well being of the School Board is tied in large measure to the state funding formula and the tax base. Following several years of declining sales tax collections, the retail sales and industrial activity has shown some recent growth. This growth is expected to continue and would help strengthen the Board's financial position.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

While this CAFR is designed to provide full and complete disclosure of the financial condition and operations of the School Board, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact St. John the Baptist Parish School Board, Post Office Box AL, Reserve, LA 70068, or call (985) 536-1106 during regular office hours, Monday through Friday, 8:00 a.m. to 4:30 p.m., Central Standard Time, or e-mail at Fboughton@stjohn.k12.la.us.

BASIC FINANCIAL STATEMENTS

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
STATEMENT OF NET ASSETS
June 30, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 14,050,484
Investments	7,069,860
Other receivables	39,403
Due from other governments	2,861,129
Inventory	105,393
Land	2,597,055
Buildings, improvements, furniture and equipment (net of accumulated depreciation)	<u>27,794,503</u>
TOTAL ASSETS	<u>54,517,827</u>
 LIABILITIES	
Accounts, salaries, and other payables	7,504,744
Unearned revenue	15,628
Interest payable	233,562
Other liabilities	1,353,419
Non-current liabilities:	
Due within one year	4,170,000
Due in more than one year	<u>19,136,026</u>
Total Liabilities	<u>32,413,379</u>
 NET ASSETS	
Invested in capital assets, net of related debt	9,931,558
Restricted for:	
Debt service	2,619,916
Unrestricted	<u>9,552,974</u>
TOTAL NET ASSETS	<u><u>\$ 22,104,448</u></u>

The notes to the financial statements are an integral part of this statement.

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006

	Program Revenues		Net (Expense) Revenue And Changes In Net Assets	
	Expenses	Charges For Services		Operating Grants and Contributions
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 24,349,500	\$ -	\$ 133,109	\$ (24,216,391)
Special programs	12,942,963	-	3,678,346	(9,264,617)
Vocational programs	215,483	-	108,350	(107,133)
All other programs	3,245,968	-	5,372,331	2,126,363
Support services:				
Student services	2,660,527	-	-	(2,660,527)
Instructional staff support	993,860	-	-	(993,860)
General administration	2,662,521	-	1,341,285	(1,321,236)
School administration	3,721,536	-	-	(3,721,536)
Business services	543,780	-	-	(543,780)
Plant services	7,507,573	-	24,870	(7,482,703)
Student transportation services	3,043,732	-	109,353	(2,934,379)
Central services	801,433	-	-	(801,433)
Food services	3,074,365	212,647	2,492,766	(368,952)
Interest on long-term debt	781,549	-	-	(781,549)
Total Governmental Activities	\$ 66,544,790	\$ 212,647	\$ 13,260,410	(53,071,733)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				4,518,742
Property taxes, levied for debt service				4,892,250
Sales and use taxes, levied for general purposes				16,662,031
Sales and use taxes, levied for public improvement				2,853,716
State revenue sharing, general purpose				195,891
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				30,309,663
Other				2,172,411
Interest and investment earnings				613,190
				<u>62,217,894</u>
Change in net assets				9,146,161
Net assets - beginning				<u>12,958,287</u>
Net assets - ending				<u>\$ 22,104,448</u>

The notes to the financial statements are an integral part of this statement.

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2006

	General Fund	School Lunch/ Breakfast Fund	Capital Projects II Fund	Sinking Fund
ASSETS				
Cash and cash equivalents	\$ 8,111,594	\$ 158,280	\$ 3,002,806	\$ 2,485,247
Investments	7,069,860	-	-	-
Receivables	2,415,692	250,440	2,993	15,712
Interfund receivables	504,662	-	-	15,396
Inventory	-	105,393	-	-
TOTAL ASSETS	\$ 18,101,808	\$ 514,113	\$ 3,005,799	\$ 2,516,355
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$ 7,107,606	\$ 125,362	\$ -	\$ -
Interfund payables	141,128	273,620	-	-
Deferred revenues	-	15,628	-	-
Other liabilities	1,337,481	15,938	-	-
Total Liabilities	8,586,215	430,548	-	-
Fund balances:				
Reserved for:				
Encumbrances	233,905	-	-	-
Debt service	-	-	-	2,516,355
Inventory	-	105,393	-	-
Unreserved, Designated for:				
Capital projects	-	-	3,005,799	-
Unreserved, Undesignated, Reported In:				
General Fund	9,281,688	-	-	-
Special Revenue Funds	-	(21,828)	-	-
Total Fund Balances	9,515,593	83,565	3,005,799	2,516,355
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,101,808	\$ 514,113	\$ 3,005,799	\$ 2,516,355

The notes to the financial statements are an integral part of this statement.

Other	
Governmental	
Funds	TOTAL
\$ 292,557	\$ 14,050,484
-	7,069,860
215,695	2,900,532
125,732	645,790
-	105,393
<hr/>	
\$ 633,984	\$ 24,772,059
<hr/>	

\$ 271,776	\$ 7,504,744
231,042	645,790
-	15,628
-	1,353,419
<hr/>	
502,818	9,519,581
<hr/>	

-	233,905
103,561	2,619,916
-	105,393
27,605	3,033,404
-	9,281,688
-	(21,828)
<hr/>	
131,166	15,252,478
<hr/>	

\$ 633,984	\$ 24,772,059
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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2006**

Total Fund Balances at June 30, 2006 - Governmental Funds		\$ 15,252,478
Cost of capital assets at June 30, 2006	\$ 68,319,850	
Less - accumulated depreciation as of June 30, 2006:		
Buildings	(34,179,214)	
Movable property	<u>(3,749,078)</u>	30,391,558
Elimination of interfund assets and liabilities:		
Due from other funds	(645,790)	
Due to other funds	<u>645,790</u>	-
Long-term liabilities at June 30, 2006:		
Compensated absences	2,846,026	
Bonds payable	20,460,000	
Accrued interest payable	<u>233,562</u>	<u>(23,539,588)</u>
Net Assets at June 30, 2006		<u>\$ 22,104,448</u>

The notes to the financial statements are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2006

	General Fund	School Lunch/ Breakfast Fund	Capital Projects II Fund	Sinking Fund
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 4,518,742	\$ -	\$ -	\$ 4,892,250
Sales and use	16,662,031	-	2,853,716	-
Interest earnings	428,263	7,316	81,620	94,062
Charges for services	-	212,647	-	-
Other	1,417,607	-	-	15,396
Total Local Sources	<u>23,026,643</u>	<u>219,963</u>	<u>2,935,336</u>	<u>5,001,708</u>
State sources:				
Minimum Foundation Program	30,050,880	258,783	-	-
Other	1,940,733	-	-	-
Total State Sources	<u>31,991,613</u>	<u>258,783</u>	<u>-</u>	<u>-</u>
Federal sources	<u>6,292,482</u>	<u>2,492,766</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>61,310,738</u>	<u>2,971,512</u>	<u>2,935,336</u>	<u>5,001,708</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	23,400,068	-	-	-
Special programs	10,418,251	-	-	-
Vocational programs	208,005	-	-	-
All other programs	3,133,328	-	-	-
Support services:				
Student services	2,568,203	-	-	-
Instructional staff support	959,372	-	-	-
General administration	1,230,853	-	-	-
School administration	3,592,393	-	-	-
Business services	524,910	-	-	-
Plant services	6,366,224	-	-	-
Student transportation services	2,938,110	-	-	-
Central services	773,622	-	-	-
School food services	-	2,967,680	-	-
Other expenditures	-	-	236,275	6,332

(Continued)

Other Governmental Funds	Total
\$ -	\$ 9,410,992
-	19,515,747
1,929	613,190
-	212,647
-	1,433,003
<u>1,929</u>	<u>31,185,579</u>
-	30,309,663
-	1,940,733
-	<u>32,250,396</u>
<u>3,469,728</u>	<u>12,254,976</u>
<u>3,471,657</u>	<u>75,690,951</u>
-	23,400,068
2,075,572	12,493,823
-	208,005
-	3,133,328
-	2,568,203
-	959,372
1,372,817	2,603,670
-	3,592,393
-	524,910
-	6,366,224
-	2,938,110
-	773,622
-	2,967,680
-	242,607

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2006**

	General Fund	School Lunch/ Breakfast Fund	Capital Projects II Fund	Sinking Fund
Capital outlay	\$ 195,080	\$ -	\$ 343,943	\$ -
Debt service:				
Principal retirement	500,000	-	-	3,275,000
Interest and bank charges	54,908	-	-	761,295
Total expenditures	<u>56,863,327</u>	<u>2,967,680</u>	<u>580,218</u>	<u>4,042,627</u>
 NET CHANGE IN FUND BALANCES	 <u>4,447,411</u>	 <u>3,832</u>	 <u>2,355,118</u>	 <u>959,081</u>
 FUND BALANCES beginning	 <u>5,068,182</u>	 <u>79,733</u>	 <u>650,681</u>	 <u>1,557,274</u>
 FUND BALANCES ending	 <u>\$ 9,515,593</u>	 <u>\$ 83,565</u>	 <u>\$ 3,005,799</u>	 <u>\$ 2,516,355</u>

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Total
\$ 54,881	\$ 593,904
-	3,775,000
-	816,203
<u>3,503,270</u>	<u>67,957,122</u>
<u>(31,613)</u>	<u>7,733,829</u>
<u>162,779</u>	<u>7,518,649</u>
<u>\$ 131,166</u>	<u>\$ 15,252,478</u>

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006**

Total net change in fund balances - governmental funds \$ 7,733,829

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Depreciation expense	\$ (2,256,590)	
Capital outlay	<u>(32,510)</u>	(2,289,100)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 3,775,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Current year		(233,562)
Prior year		268,217

Net increase in compensated absences (108,223)

Change in net assets of governmental activities \$ 9,146,161

The notes to the financial statements are an integral part of this statement.

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2006

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	\$ 608,124
TOTAL ASSETS	\$ 608,124
LIABILITIES	
Accounts payable	\$ 132,548
Due to other funds	20,350
Due to Sheriff	2,261
Due to St. John the Baptist Parish Council	20,350
Amounts held for school activities	432,615
TOTAL LIABILITIES	\$ 608,124

The notes to the financial statements are an integral part of this statement.

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2006

NOTE 1 - GENERAL INFORMATION

The St. John the Baptist Parish School Board (the "School Board") was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within St. John the Baptist Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eleven members who are elected from eleven districts for concurrent terms of four years.

The School Board operates 12 schools within the parish with a total enrollment of 6,764 pupils for the year ended June 30, 2006. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

a. Reporting Entity

The School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

b. Funds

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

segregating transactions related to certain School Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the School Board are classified into two categories: governmental and fiduciary, as follows:

Governmental Fund Types

Governmental funds account for all or most of the School Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental funds:

General Fund - The General Fund is the general operating fund of the School Board. The General Fund receives most of the resources derived by the School Board from local sources (principally ad valorem and sales taxes) and state sources (principally the Minimum Foundation Program). General Fund expenditures represent the cost of general school system operations and individual functional categories of instructional and support services. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to School Board policy.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Of the special revenue funds, the School Lunch/Breakfast Fund is considered a major fund.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund accounts for the operation of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately-priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto. Separate capital project funds are maintained to account for the proceeds of major general obligation bonds and other financing proceeds. Of the Capital Projects Funds, Construction II is considered a major fund.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects - Fund II

This fund is used to account for the proceeds and use of a one-third of the one percent sales and use tax dedicated to capital acquisition and improvements. It also accounts for the proceeds and use of a sales tax revenue bond dedicated for the purpose of making capital improvements to the School Board.

Capital Projects - Fund III

Prior to July 18, 1992, this fund was used to account for the proceeds and use of a special property tax levy dedicated to capital acquisition and improvements. Subsequent to July 18, 1992, this fund is used to account for the proceeds and use of certain General Obligation Bonds being issued for the purpose of acquiring and/or improving land for building sites and playgrounds and acquiring the necessary equipment and furnishings.

Debt Service Fund - The Debt Service Funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. Of the Debt Service Funds, the Sinking Fund is considered a major fund.

Fiduciary Fund Type

The Fiduciary Fund is used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains two fiduciary fund type agency funds; the School Activity Agency Fund and the Sales Tax Fund, both of which account for assets held by the Board in custodial capacity. An agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of St. John the Baptist Parish's four and three-quarters percent sales and use tax. Two and one-quarter percent is dedicated to the St. John the Baptist Parish School Board and two and one-quarter percent is dedicated to the St. John the Baptist Parish Council and one-quarter percent is dedicated to the St. John the Baptist Parish Sheriff's Department.

School Activity Fund

The activities of the various individual school accounts are accounted for in the School Activity Fund. While the fund is under the supervision of the School Board, these monies belong to the individual schools or their student bodies and are not available for use by the School Board.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the Fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Revenues from nonexchange transactions include sales taxes, ad valorem taxes and grants from federal, state and local sources. The accounting policies for revenue recognition pertaining to these nonexchange transactions are described in the remainder of this footnote.

Program Revenues

Program revenues included in the Statement of Activities derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Internal Activities

All internal activities and interfund transactions, except interfund services provided and used, are eliminated in the Government-Wide Financial Statements.

Allocation of Indirect Expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are recognized as expenditures when the benefit earned by the employee has matured, and general long-term obligations principal and interest payments are recognized only when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure-driven federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1, become due on November 15 of each year, and become delinquent on December 31. An enforceable lien attaches to the property as of January 1. The taxes to be levied were approved by the School Board. However, before the taxes can be collected, the tax rolls are submitted to the State

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Commission for approval. The taxes are generally collected in November, December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. John the Baptist Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Sales taxes, tuition, rent, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Expenditures

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees; (2) general long-term obligations principal and interest payments are recognized when due. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded as a long-term liability in the GWFS.

Other Financial Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, or long-term debt proceeds) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

d. Budgetary Data

The General Fund and the Special Revenue Funds are the only fund types with legally required annual budgets. Budgets are prepared on a modified accrual basis, consistent with the basis of accounting for comparability of budgeted and actual revenues and expenditures. Formal budget accounts are integrated into the accounting system during the year as a management control device, excluding the recording of encumbrances. Budgetary data for the Capital Projects Funds have not been presented in the accompanying financial statements as such funds are budgeted over the life of the respective project and not on an annual basis. The Debt Service Fund complies with bond covenant provisions and is, therefore, not budgeted.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior to September 15 of each year, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund for the fiscal year commencing the prior July 1. The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 15, the General Fund budget is legally enacted through adoption by the School Board.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 15 by the School Board. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. Unencumbered appropriations of grant-oriented Special Revenue Funds are reappropriated at the beginning of the following fiscal year. Unencumbered appropriations of certain nongrant-oriented Special Revenue Funds lapse at the end of the fiscal year and are included in the next year's budget with funds appropriated in that year to finance them.

The Superintendent and/or the Business Manager are authorized to transfer amounts between line items within any fund. When actual total revenues within the General Fund or Special Revenue Fund fail to meet budgeted total revenues by five percent or more and/or actual total expenditures within the General Fund or a Special Revenue Fund fails to meet budgeted total expenditures by five percent or more, a budget amendment to reflect such change is adopted by the School Board in an open meeting. The Budgetary Comparison Schedules (see pages 54 to 56) and the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Final Budget and Actual (see pages 62 to 63) include the effect of such budget amendments, none of a significant nature.

e. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts with original maturities of three months or less from the date of acquisition. Cash equivalents include time deposits.

Louisiana Revised Statutes, at LSA-R.S. 33:2955, authorize the School Board to invest in (1) direct obligations of the United States treasury, the principal and interest of which are fully guaranteed by the federal government; (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities; (3) direct security repurchase agreements of any federal book-entry-only securities; (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations; (5) in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

limited to securities of the U.S. Government or its agencies; or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana.

These investments are reported at fair value. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities.

f. Intergovernmental Receivables

Intergovernmental receivables consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

g. Interfund Transactions

During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as interfund receivable or interfund payable on the balance sheet.

h. Inventories

All purchased inventories are valued at cost (first-in, first-out); commodities are assigned values based on information provided by the U.S. Department of Agriculture. Inventories in the School Lunch/Breakfast Special Revenue Fund consisted of food and supplies. The commodities are recorded in revenues and expenditures when consumed. The commodities remaining in inventory at the end of the fiscal year are recorded as deferred revenue.

i. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a threshold level of \$10,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-30 years
Furniture and Equipment	5-10 years

k. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the GWFS. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the FFS only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the FFS. Other long-term liabilities such as compensated absences have typically been paid by the General Fund.

l. Deferred Revenue

Deferred revenues arise when resources are received by the School Board before it has a legal claim to them or when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has legal claim to the resources,

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

m. Compensated Absences

All 12-month employees earn from 10 to 20 days of vacation leave each year, depending on their length of service with the School Board. Employees may carry over up to 10 unused vacation days from one fiscal year to the next. An employee can only accumulate 25 vacation days. Upon severance of employment these 25 days will be paid to the employee as severance pay.

Teachers and other 9-month employees earn 10 days of sick leave each year. All 12-month employees earn from 10 to 18 days sick leave each year, depending on their length of service with the School Board. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees (or their heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. Under the Louisiana School Employees' Retirement System, all unpaid sick leave excluding the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for medical leave and for professional and cultural improvement. An employee with a teacher's certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after six semesters of continuous service or two semesters of sabbatical leave after twelve or more semesters of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

Compensated absences are recognized as expenditures in the FFS in the year claimed. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The total liability is reported on the GWFS.

n. Pension Plans

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Restricted Net Assets

For GWFS Statement of Net Assets, net assets are reported as restricted when constraints placed on net assets used are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- Imposed by law through constitutional provisions or enabling legislation.

p. Reserves and Designations

In the FFS, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

q. Claims and Judgments

Losses resulting from claims and judgments, including related expenditures, salvage and subrogation, are estimated by utilizing a case by case review of all claims, based on data provided by legal counsel and third-party administrators. The liability for such losses is recorded in the General Fund. Incurred but not reported claims as of June 30, 2006 have been considered in determining the accrued liability.

r. Sales Taxes

The School Board collects four and three-quarters percent in sales and use tax. The sales and use tax is collected by an independent contractor, who is contracted through the School Board and serves as the sales tax department. Two and one-quarter percent of the taxes collected are remitted to the Parish Council. One-quarter percent of the taxes collected are remitted to the Sheriff's Department. The School Board's costs of collecting the funds are shared proportionally by the Parish Council, Sheriff's Department and the School Board. The School Board retains the remaining two and one-quarter percent of the taxes collected and allocates them as follows:

General Fund:

General Support Service	1%
Regular Instruction Programs	1/3%
Repairs and Maintenance of Plant and Facilities	1/3%
Capital Projects Fund	1/3%
Teacher Salaries	1/4%

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

At June 30, 2006, the School Board had cash and cash equivalents as follows:

Bank accounts Per Balance Sheet \$ 14,050,484

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At year-end, the bank balance deposits totaled \$ 13,182,833.

In addition, the School Board maintains a \$275,000 certificate of deposit pledged as collateral for workers' compensation insurance, which is included in the investments caption on the Statement of Net Assets.

The School Board does not have a deposit policy for custodial credit risk.

Investments

The School Board maintains an investment pool with an investment broker for all funds. Each fund's portion of the cash and investment pool is included in that fund's cash and cash equivalent account and/or that fund's investment account. Interest earned on pooled cash and investments is allocated to the participating funds based upon their combined participating balances.

Investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (See Summary of Significant Accounting Policies) consisted of \$6,794,860, at June 30, 2006.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2006**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The School Board's investment policy limits the School Board's investments to U.S. Treasury Bills and Notes, certificates of deposit and time deposits with domestic banks and investments in LAMP.

The School Board's investments in LAMP are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in the short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities and any other investments allowed by state statute. The Standard & Poors fund rating is AAAM indicating a superior capacity to maintain principal value and limit exposure to losses.

Credit Risk, Concentration of Credit Risk and Interest Rate Risk Disclosures

Credit Risk of Debt Investments

The School Board does not maintain any debt investments and is, therefore, not exposed to credit risk of debt investments.

Concentration of Credit Risk

The School Board's investments in LAMP are investments in an external investment pool and are, therefore, not exposed to a concentration of credit risk.

Interest Rate Risk

As of June 30, 2006, the School Board had the following investments:

Investment	<u>Maturity</u>	<u>Fair Value</u>
LAMP	90 day average	<u>\$ 6,794,860</u>
		<u>\$ 6,794,860</u>

In accordance with its investment policy, the School Board manages its exposure to declines in fair values by limiting the weighted average of its maturity of its investment portfolio to less than one year.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 4 - AD VALOREM TAXES

The School Board levies taxes on real and business personal property located within St. John the Baptist Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the St. John the Baptist Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957).

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvement for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value and public service properties, excluding land, are to be assessed at 25% of fair market value. The correctness of assessments by the assessor is subject to review and rectification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad valorem taxes are attached as an enforceable lien of property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills and collects the property taxes.

Voters approved a rededication of 3.47 mills of ad valorem tax beginning in 1992 and ending in 2011 for the purpose of providing additional funds for salaries and fringe benefits for all employees, and said tax will be in lieu of a 3.47 mills tax dedication to constructing, maintaining, and operating schools in the district.

The following is a summary of authorized and levied ad valorem taxes for the fiscal year ended June 30, 2006 (calendar year 2005 assessments):

	<u>Millage Authorized</u>	<u>Millage Levied</u>	<u>Expiration Date</u>
Parishwide Taxes			
Constitutional	3.87	3.87	Permanent
Maintenance and operations	4.57	4.57	2006
Salaries and benefits	14.03	14.03	2012
Bond debt	<u>24.12</u>	<u>24.12</u>	Permanent
	<u>46.59</u>	<u>46.59</u>	

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 4 - AD VALOREM TAXES (CONTINUED)

The School Board is permitted by state law to levy taxes up to \$48 per \$1,000 of assessed valuation. For the year ended June 30, 2006, taxes of 46.59 mills were levied on property with assessed valuations totaling \$210,595,330. Total taxes levied were \$9,811,636. Property taxes receivable at June 30, 2006 totaled \$30,225 and is included under the caption receivables due from other governments in the GWFS and the caption receivables in the FFS.

NOTE 5 - RECEIVABLES DUE FROM OTHER GOVERNMENTS

The receivables due from other governments of \$2,861,129 at June 30, 2006 are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Receivable:			
State	\$ 422,385	\$ -	\$ 422,385
Federal	1,624,701	466,135	2,090,836
Other	<u>347,908</u>	<u>-</u>	<u>347,908</u>
	<u>\$2,394,994</u>	<u>\$ 466,135</u>	<u>\$2,861,129</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2006, is as follows:

<u>Governmental Activities</u>	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Capital assets not being depreciated:				
Construction in Process	\$ 138,267	\$ -	\$ (138,267)	\$ -
Land	2,597,055	-	-	2,597,055
Total capital assets Not being depreciated	<u>2,735,322</u>	<u>-</u>	<u>(138,267)</u>	<u>2,597,055</u>
Capital assets being depreciated:				
Buildings and improvements	61,203,355	-	-	61,203,355
Furniture and equipment	4,413,682	620,152	(514,394)	4,519,439
Total capital assets being depreciated	<u>65,617,037</u>	<u>620,152</u>	<u>(514,394)</u>	<u>65,722,795</u>
Less accumulated depreciation:				
Buildings and improvements	(32,227,585)	(1,951,629)	-	(34,179,214)
Furniture and equipment	(3,444,117)	(304,961)	-	(3,749,078)
Total accumulated depreciation	<u>(35,671,702)</u>	<u>(2,256,590)</u>	<u>-</u>	<u>(37,928,292)</u>
Net capital assets Being depreciated,	<u>29,945,335</u>	<u>(1,636,438)</u>	<u>(514,394)</u>	<u>27,794,503</u>
Capital assets, net	<u>\$ 32,680,657</u>	<u>\$ (1,636,438)</u>	<u>\$ (652,661)</u>	<u>\$ 30,391,558</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$2,256,590 for the year ended June 30, 2006, was charged to the following governmental functions:

Instruction:	
Regular education	\$ 841,210
Special education	449,140
Vocational education	7,478
Other educational programs	112,640
Support services:	
Student services	92,324
Instructional staff support	34,488
General administration	92,393
School administration	129,143
Business services	18,870
Plant services	228,859
Student transportation	105,622
Central services	27,811
School food services	106,685
Other expenses	<u>9,927</u>
Total	<u>\$ 2,256,590</u>

NOTE 7 - ACCOUNTS AND SALARIES PAYABLE

The following is a summary of accounts and salaries payable as of June 30, 2006:

	<u>General Fund</u>	<u>Lunch/Breakfast Fund</u>	<u>Capital Projects II</u>	<u>Non-major Funds</u>	<u>Total</u>
Accounts payable	\$1,975,057	\$ 9,165	\$ -	\$ 88,224	\$2,072,446
Accrued salaries and benefits	<u>5,132,549</u>	<u>116,197</u>	-	<u>183,552</u>	<u>5,432,298</u>
Total	<u>\$7,107,606</u>	<u>\$125,362</u>	<u>\$ -</u>	<u>\$ 271,776</u>	<u>\$7,504,744</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivables and payables balances at June 30, 2006 reported on the fund financial statements were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds:	
	Title 1	\$ 231,042
	Lunch	<u>273,620</u>
	Total due to General Fund	<u>\$504,662</u>
Head Start	General Fund	\$ 25,732
Sinking Fund	General Fund	15,396
Debt Service Funds	General Fund	<u>100,000</u>
	Total payable by General Fund	<u>\$ 141,128</u>

The General Fund is due \$17,356 and the Construction II Fund is due \$2,994 from the Agency Fund - Sales Tax at June 30, 2006 and is included in the receivables caption in the fund financial statements. Debt Service, Head Start and Title I funds are non-major funds and are included in the Other Governmental Funds column in the Governmental Funds Balance Sheet.

The purpose of the interfund receivables and payables is to meet current operational needs and are expected to be repaid within one year, with the exception of the amount due to the Sinking Fund from the General Fund.

NOTE 9 - LONG-TERM OBLIGATIONS

General obligation bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued over the years for the purpose of constructing and acquiring capital assets and are to be repaid by the levy of dedicated ad valorem taxes.

Sales tax bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued for the purpose of making capital improvements to the school system and are payable from the dedication of one-third (1/3) of the special one percent (1%) sales and use tax now being levied and collected in the Parish.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

The following schedule shows the changes in general obligation bonds, sales tax bonds, and certificates of indebtedness, the outstanding balance of the bonds and certificates of indebtedness at June 30, 2006 and the total future interest due on the bonds:

<u>Bond Type</u>	<u>Date of Issuance</u>	<u>Authorized and Issued</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest To Maturity</u>
<u>General Obligation Bonds</u>						
Refunding Series 1998	9/1/98	\$ 6,975,000	3.65 - 4.75	3/1/12	\$ 3,005,000	\$ 280,861
Refunding Series 2001	4/1/01	3,690,000	4.00 - 4.55	3/1/14	3,215,000	693,945
Refunding Series 2003	4/1/03	8,850,000	2.00 - 3.25	4/1/13	4,580,000	302,358
Series 2002	10/1/01	5,000,000	3.35 - 7.00	3/1/22	4,415,000	1,797,576
Refunding Series 2004	12/15/04	3,190,000	1.90 - 3.00	3/1/10	<u>2,550,000</u>	<u>178,624</u>
Total General Obligation Bonds					<u>17,765,000</u>	<u>3,253,364</u>
<u>Sales Tax Bonds</u>						
Series 2001	4/1/01	1,000,000	5.75%	4/1/21	945,000	490,762
<u>Certificates of Indebtedness</u>						
QZAB						
Series 2000	8/3/00	3,500,000	N/A	9/1/10	1,750,000	N/A
Series 2003	6/10/03	340,000	0.1 - 3.4%	6/1/06	<u>N/A</u>	<u>N/A</u>
Total Bonds and Certificates of Indebtedness					<u>\$ 20,460,000</u>	<u>\$ 3,744,126</u>

Bond principal and interest payable in the next fiscal year is \$4,484,270. Interest paid and bank charges in the current fiscal year on general obligation bonds and sales tax bonds amounted to \$737,303.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2006, the School Board accumulated \$2,619,916 in the Debt Service Funds for the future retirement of General Obligation Bonds.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2006, the statutory limit is \$99,989,373 resulting in a legal debt margin of \$82,224,373.

The School Board is in compliance with all significant limitations and restrictions as set forth in the individual bond indentures.

Annual debt service to maturity is as follows:

<u>Fiscal Year</u>	<u>Principal and Interest</u>	<u>Interest</u>	<u>Principal</u>
2007	\$ 4,484,270	\$ 714,270	\$ 3,770,000
2008	4,488,942	593,942	3,895,000
2009	4,735,948	470,948	4,265,000
2010	2,029,803	329,803	1,700,000
2011	1,340,351	280,351	1,060,000
2012-2016	4,042,826	932,826	3,110,000
2017-2021	2,638,076	403,076	2,280,000
2022-2026	<u>443,912</u>	<u>18,912</u>	<u>425,000</u>
	<u>\$24,204,128</u>	<u>\$ 3,744,128</u>	<u>\$20,460,000</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Prior Years' Defeasance of Debt

On February 25, 1987, the School Board issued \$10,408,597 in General Obligation Bonds with interest yields between 4.8% and 6.8% to advance refund the callable portion (\$10,900,000) of a \$15,000,000 outstanding 1984 Series bond issue with interest rates of 10% to 12%. The School Board placed sufficient proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the School Board's financial statements. At June 30, 2006, the balance of the defeased portion of the bonds was \$15,000.

On August 1, 1995, the School Board issued \$7,100,000 of General Obligation School Bonds, Series 1995A and 1995B, the proceeds of which were used to refund the School Board's revenue bonds, Series ST-1979 and ST-1988, and Sales Tax School Bonds Series 1992, and to improve or construct lands, buildings, playgrounds, and other school related facilities. The ST-1979 bonds were called and the outstanding defeased amounts of ST-1988 Bonds and Sales Tax School Bonds Series 1992 were \$650,000 and \$1,300,000, respectively, as of June 30, 2006. The trust account assets and the liability for these defeased bonds are not included in the School Board's general-purpose financial statements.

On September 1, 1998, the School Board issued \$6,975,000 in General Obligation Refunding Bonds with interest rates ranging between 3.65% and 4.75%. The School Board issued the bonds to advance refund \$6,410,000 of the outstanding series 1992 General Obligation School Bonds with interest rates ranging between 6.25% and 6.5%. The School Board used the net proceeds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded portion of the 1992 series bonds. As a result, that portion of the 1992 series bonds is considered defeased, and the School Board has removed the liability from its accounts. At June 30, 2006, the balance of the defeased portion of the bonds was \$2,995,000.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006**

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

On April 1, 2002, the School Board issued \$3,690,000 in General Obligation Refunding Bonds to advance refund \$3,385,000 of outstanding General Obligation School Bonds, Series 1995 with interest rates ranging between 5% and 9%. The School Board used the net proceeds to purchase U. S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refund portion of the 1995 Series Bonds. As a result, that portion of the 1995 Series Bonds is considered defeased, and the School Board has removed the liability from its accounts. At June 30, 2006, the balance of the defeased portion of the bonds was \$3,105,000.

The School Board issued \$3,190,000 of General Obligation Refunding Bonds with interest yields between 1.9% and 3.0%. The School Board issued the bonds to advance refund \$3,020,000 of the outstanding series 1995 General Obligation School Bonds. The School Board used the net proceeds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded portion of the 1995 series bonds. As a result, that portion of the 1995 series bond is considered defeased, and the School Board has removed the liability from its accounts. At June 30, 2006, the balance of the defeased portion of the bonds was \$2,480,000.

General Long-Term Obligations

The following is a summary of the changes to general long-term obligations for the year ended June 30, 2006:

	<u>Compensated Absences</u>	<u>Total Bonded Debt</u>	<u>Total</u>
Balance at June 30, 2005	\$ 2,737,803	\$ 24,235,000	\$26,972,803
Additions	571,529	-	571,529
Deductions - payments and retirements	<u>(463,306)</u>	<u>(3,775,000)</u>	<u>(4,238,306)</u>
Balance at June 30, 2006	<u>\$ 2,846,026</u>	<u>\$ 20,460,000</u>	<u>\$23,306,026</u>

The deductions-payments and retirements are reflected in the Statement of Revenues Expenditures and Changes in Fund Balances. The deduction in compensated absences of \$463,306 is included in payroll which is allocated among all the functions. The bond and note deductions totaling \$3,775,000 of principal payments are included under the caption "Principal Retirement".

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2006:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Total</u>
Current portion	\$ 3,770,000	\$ 400,000	\$ 4,170,000
Long-term portion	<u>16,690,000</u>	<u>2,446,026</u>	<u>\$19,136,026</u>
Total	<u>\$ 20,460,000</u>	<u>\$ 2,846,026</u>	<u>\$23,306,026</u>

The current portion of the compensated absences is based on an average of amounts used in previous periods. Compensated absences are liquidated by the General Fund and Special Revenue Funds.

NOTE 10 - RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The School Board established a self-insurance program recorded in the General Fund to account for and finance its uninsured risk of loss as described below. No claim settlements in the past three years exceeded insurance coverage. Premiums are paid by the General Fund. Other funds are charged at the time of occurrence of the claim payment. The amounts of claim liabilities that are accrued are based on data as provided by a third party administrator.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2006

NOTE 10 - RISK MANAGEMENT (CONTINUED)

Workers' Compensation Insurance

The School Board has a self-insurance program for workers' compensation whereby the School Board is exposed to losses relating to any potential claim for up to \$200,000 per occurrence and \$1,000,000 in the aggregate. The General Fund reports the claims' expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The claims liability at June 30, 2006 totaled \$378,463.

The School Board has one certificate of deposit totaling \$275,000, which is held in trust at a local bank for the Office of Worker's Compensation as collateral for potential claims against the School Board. This certificate is included in investments.

General Liability and Automobile Insurance

As of June 30, 2006, the School Board is insured for up to \$3,000,000 or \$1,000,000 per occurrence. The amount of the insurance deductible is \$250,000 per occurrence with no limit in aggregate, for public entity general liability and automobile (fleet) liability. The claims liability at June 30, 2006 totaled \$327,122.

The changes in claims liability amounts were as follows for the years ended June 30, 2005 and 2006:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at End of Fiscal Year</u>
Workers' compensation:				
2005	\$ 550,141	\$ 978,190	\$1,149,868	\$ 378,463
2006	378,463	91,623	91,623	378,463
Property damage and automotive liability:				
2005	\$ 327,122	\$ 111,041	\$ 111,041	\$ 327,122
2006	327,122	27,415	27,415	327,122
Total:				
2005	\$ 877,263	\$1,089,231	\$1,260,909	\$ 705,585
2006	705,585	119,038	119,038	705,585

Changes in estimates are included in general administration expenditures.

There were no significant reductions in insurance coverage during the year.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by a separate board of trustees. Pertinent information, as required by the Governmental Accounting Standards Board Statement No. 27, relative to each plan is as follows:

Teachers' Retirement System of Louisiana (TRS)

Plan description - The School Board participates in two membership plans of the TRS, the Regular Plan and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123 or by calling (225) 925-6446.

Funding policy - Plan members are required to contribute 8.0 percent and 5.0 percent of their annual covered salary for the Regular Plan and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 15.9 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to the TRS, as provided by state law, is provided by remittances from the School Board and by deductions from local ad valorem taxes.

The School Board's contributions to the TRS for the years ended June 30, 2006, 2005 and 2004 were \$4,924,127, \$4,208,369 and \$3,668,575, respectively, equal to the required contributions for each year.

Louisiana School Employees' Retirement System (LSERS)

Plan Description - The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804 or by calling (225) 925-6484.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy - Plan members are required to contribute 7.5 percent of their annual covered salary, and the School Board is required to contribute at an actuarially determined rate. The current rate is 19.1 percent of annual covered payroll. Member and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by remittances from the School Board.

The School Board's contributions to the LSERS for the years ended June 30, 2006, 2005 and 2004 were \$474,143, \$325,571 and \$167,807, respectively, equal to the required contributions for each year.

NOTE 12 - POST-RETIREMENT HEALTH CARE BENEFITS

The School Board provides certain continuing health care and life insurance benefits for its retired employees as provided by Louisiana Revised Statute (LSA-R.S.) 17:1223. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through a private insurer, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (School Board's portion of premiums) as expenditures when the monthly healthcare benefit premiums are due. In 2006, healthcare benefit premiums totaled \$4,345,324, which represents the School Board's portion. Also included in the total amount is the cost of retiree benefits totaling \$1,569,496 for 396 retirees. The School Board has a continuing future obligation for life insurance and health care benefits for retired teachers and noninstructional employees and their dependents. This future liability is not funded but will be payable by the General Fund out of future years' operations. Although estimated by management that this future liability is significant, current generally accepted accounting principles do not require the School Board to reflect this liability in the financial statements. Except for one-half of the dependent coverage, no contributions are required by the retirees to help finance these future benefits and at the present time, up to one-half of the premiums is paid by the State of Louisiana.

NOTE 13 - CHANGE IN AGENCY DEPOSITS DUE OTHERS

A summary of changes in deposits due others is as follows:

	<u>School Activity</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance at beginning of year	\$ 242,430	\$ 332,207	\$ 574,637
Additions	1,552,062	332,207	1,884,269
Deductions	<u>(1,361,877)</u>	<u>(408,905)</u>	<u>(1,850,782)</u>
Balance at end of year	<u>\$ 432,615</u>	<u>\$ 175,509</u>	<u>\$ 608,124</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

NOTE 14 - LITIGATION AND CONTINGENCIES

At June 30, 2006, the School Board was a defendant in various lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at the estimate, if any, of the amount or range of potential claims and lawsuits that have been categorized into "probable," "reasonably possible", or "remote," as defined by the GASB Codification C50.

Amounts of claims classified as "probable" have been accrued as claims payable, as explained in Note 10. It is the opinion of the School Board, after conferring with legal counsel for the School Board, that the potential claims against the School Board not covered by self-insurance reserves and commercial insurance would not materially affect its financial statements.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts, if any, to be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION -

PART II

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS WITH LEGALLY
ADOPTED BUDGETS**

GENERAL FUND

To account for resources traditionally associated with the School Board which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund accounts for the operation of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately-priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 4,439,010	\$ 4,742,744	\$ 4,518,742	\$ (224,002)
Sales and use	11,255,103	15,971,078	16,662,031	690,953
Interest earnings	65,000	340,000	428,263	88,263
Other	554,456	1,679,750	1,417,607	(262,143)
Total local sources	<u>16,313,569</u>	<u>22,733,572</u>	<u>23,026,643</u>	<u>293,071</u>
State sources:				
Minimum Foundation Program	28,634,491	30,200,880	30,050,880	(150,000)
Other	1,822,644	1,774,038	1,940,733	166,695
Total state sources	<u>30,457,135</u>	<u>31,974,918</u>	<u>31,991,613</u>	<u>16,695</u>
Federal sources	<u>3,049,929</u>	<u>6,142,168</u>	<u>6,292,482</u>	<u>150,314</u>
Total revenues	<u>49,820,633</u>	<u>60,850,658</u>	<u>61,310,738</u>	<u>460,080</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	21,691,700	24,462,380	23,400,068	1,062,312
Special programs	10,913,292	11,581,243	10,418,251	1,162,992
Vocational programs	166,587	225,717	208,005	17,712
All other programs	2,525,272	2,809,096	3,133,328	(324,232)
Support services:				
Student services	2,249,278	2,503,786	2,568,203	(64,417)
Instructional staff support	944,022	982,385	959,372	23,013
General administration	1,805,012	1,909,532	1,230,853	678,679
School administration	3,116,109	3,677,798	3,592,393	85,405
Business services	518,263	550,492	524,910	25,582
Plant services	4,929,141	6,278,458	6,366,224	(87,766)
Student transportation services	3,135,703	3,202,553	2,938,110	264,443
Central services	818,625	885,393	773,622	111,771
Capital outlay	358,478	338,819	195,080	143,739
Debt Service				
Principal Retirement	432,500	432,500	500,000	(67,500)
Interest and Bank Charges	2,500	2,500	54,908	(52,408)
Total expenditures	<u>53,606,482</u>	<u>59,842,652</u>	<u>56,863,327</u>	<u>2,979,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,785,849)</u>	<u>1,008,006</u>	<u>4,447,411</u>	<u>3,439,405</u>

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
For the Year Ended June 30, 2006**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (Uses)				
Transfers in	1,944,599	1,000,000	-	(1,000,000)
Transfers out	(150,000)	(150,000)	-	150,000
Total other financing sources (uses)	<u>1,794,599</u>	<u>850,000</u>	<u>-</u>	<u>(850,000)</u>
NET CHANGE IN FUND BALANCE	<u>(1,991,250)</u>	<u>1,858,006</u>	<u>4,447,411</u>	<u>2,589,405</u>
FUND BALANCE - BEGINNING	<u>2,220,400</u>	<u>4,122,349</u>	<u>5,068,182</u>	<u>945,833</u>
FUND BALANCE - ENDING	<u>\$ 229,150</u>	<u>\$ 5,980,355</u>	<u>\$ 9,515,593</u>	<u>\$ 3,535,238</u>

The notes to the Required Supplementary Information are an integral part of this schedule.

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
LUNCH/BREAKFAST SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2006**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Food services	\$ 182,500	\$ 205,500	\$ -	\$ (205,500)
Interest on cash and investments	5,000	6,000	7,316	1,316
Other local sources	-	-	212,647	212,647
State equalization	150,000	150,000	258,783	108,783
Grants	2,335,620	2,373,620	2,492,766	119,146
Total revenues	<u>2,673,120</u>	<u>2,735,120</u>	<u>2,971,512</u>	<u>236,392</u>
EXPENDITURES				
Food services	2,668,798	2,740,383	2,967,680	(227,297)
Capital outlay	5,000	2,000	-	2,000
Total expenditures	<u>2,673,798</u>	<u>2,742,383</u>	<u>2,967,680</u>	<u>(225,297)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(678)</u>	<u>(7,263)</u>	<u>3,832</u>	<u>11,095</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(678)</u>	<u>(7,263)</u>	<u>3,832</u>	<u>11,095</u>
FUND BALANCE - BEGINNING	<u>89,057</u>	<u>79,733</u>	<u>79,733</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 88,379</u>	<u>\$ 72,470</u>	<u>\$ 83,565</u>	<u>\$ 11,095</u>

The notes to the Required Supplementary Information are an integral part of this schedule.

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 1 – BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

Generally accepted accounting principles require the disclosures of the excess of expenditures over appropriations in individual funds. The following major funds had expenditures in excess of appropriations

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Lunch/Breakfast Fund Total Expenditures	\$2,742,383	\$2,967,680	\$ (225,297)

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund and Special Revenue Funds are legally adopted by the School Board on a basis consistent with generally accepted accounting principles (GAAP).

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OTHER SUPPLEMENTARY INFORMATION

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NON-MAJOR FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Improving America's Schools Act (Title I) Fund

Title I is a program to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state and local content standards and to meet the challenging state and local performance standards developed for all children.

Head Start Fund

Project Head Start is a program to provide comprehensive health, educational, nutritional, social, and other services primarily to economically disadvantaged preschool children and their families and to involve parents in activities with their children so that the children will attain overall social competence.

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2006

	<u>Special Revenue</u>				Total Non-major Governmental Funds
	Improving America's Schools Act (Title I)	Head Start	Capital Projects III Fund		
ASSETS					
Cash and cash equivalents	\$ 261,391	\$ -	\$ 27,605	\$ 3,561	\$ 292,557
Investments	-	-	-	-	-
Receivables	106,303	109,392	-	-	215,695
Interfund receivables	-	25,732	-	100,000	125,732
TOTAL ASSETS	\$ 367,694	\$ 135,124	\$ 27,605	\$ 103,561	\$ 633,984
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$ 136,652	\$ 135,124	\$ -	\$ -	\$ 271,776
Interfund payables	231,042	-	-	-	231,042
Deferred revenues	-	-	-	-	-
Deposits due others	-	-	-	-	-
Total Liabilities	367,694	135,124	-	-	502,818
Fund balances:					
Reserved for :					
Debt service	-	-	-	103,561	103,561
Unreserved:					
Designated for:					
Capital Projects	-	-	27,605	-	27,605
Total Fund Balances	-	-	27,605	103,561	131,166
TOTAL LIABILITIES AND FUND BALANCES	\$ 367,694	\$ 135,124	\$ 27,605	\$ 103,561	\$ 633,984

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2006**

	Special Revenue			
	Improving America's Schools Act (Title I)	Head Start	Capital Projects III Fund	Debt Service Fund
REVENUES				
Local sources:				
Interest earnings	\$ -	\$ -	\$ 1,928	\$ 1
Charges for services	-	-	-	-
Other	-	-	-	-
Total local sources	<u>-</u>	<u>-</u>	<u>1,928</u>	<u>1</u>
State sources:				
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Federal sources	<u>2,271,019</u>	<u>1,198,709</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>2,271,019</u>	<u>1,198,709</u>	<u>1,928</u>	<u>1</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special programs	1,037,600	1,037,972	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	1,213,988	125,287	33,542	-
School food services	-	-	-	-
Community service programs	-	-	-	-
Capital outlay	19,431	35,450	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>2,271,019</u>	<u>1,198,709</u>	<u>33,542</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(31,614)	1
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>(31,614)</u>	<u>1</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>59,219</u>	<u>103,560</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,605</u>	<u>\$ 103,561</u>

Total
Non-major
Governmental
Funds

\$ 1,929
-
-

1,929

-

3,469,728

3,471,657

-
2,075,572
-
-
-
1,372,817
-
-
54,881
-
-

3,503,270

(31,613)

(31,613)

162,779

\$ 131,166

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - FINAL BUDGET AND ACTUAL
For the Year Ended June 30, 2006**

Improving America's Schools Act (Title I) Fund

	Final Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Grants	\$ 2,656,897	\$ 2,271,019	\$ (385,878)
Total revenues	<u>2,656,897</u>	<u>2,271,019</u>	<u>(385,878)</u>
EXPENDITURES			
Special education programs	857,685	1,037,600	(179,915)
General administration	1,799,212	1,213,988	585,224
Capital outlay	-	19,431	(19,431)
Total expenditures	<u>2,656,897</u>	<u>2,271,019</u>	<u>385,878</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
For the Year Ended June 30, 2006**

Head Start Special Revenue Fund

	Final Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Grants	\$ 1,183,214	\$ 1,198,709	\$ 15,495
Total revenues	<u>1,183,214</u>	<u>1,198,709</u>	<u>15,495</u>
EXPENDITURES			
Special education programs	975,967	1,037,972	(62,005)
General Administration	170,057	125,287	44,770
Capital Outlay	37,190	35,450	1,740
Total expenditures	<u>1,183,214</u>	<u>1,198,709</u>	<u>(15,495)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
FIDUCIARY TYPE FUNDS - AGENCY FUNDS DESCRIPTIONS**

Agency Funds account for assets held by an entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

School Activity Fund

The activities of the various individual school accounts are accounted for in the School Activity Fund. While the fund is under the supervision of the School Board, these monies belong to the individual schools or their student bodies and are not available for use by the School Board.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of St. John the Baptist Parish's four and three-quarters percent sales and use tax. Two and one-quarter percent is dedicated to the St. John the Baptist School Board and two one-quarter percent is dedicated to the St. John the Baptist Parish Council and one-quarter percent is dedicated to the St. John the Baptist Parish Sheriff's Department.

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 COMBINING STATEMENT OF FIDUCIARY ASSETS
 AND LIABILITIES - ALL AGENCY FUNDS**

June 30, 2006

	School Activity Fund	Sales Tax Fund	Total
Assets			
Cash and cash equivalents	\$ 432,615	\$ 175,509	\$ 608,124
Total assets	\$ 432,615	\$ 175,509	\$ 608,124
Liabilities			
Accounts payable	\$ -	\$ 132,548	\$ 132,548
Due to other funds	-	20,350	20,350
Due to Sheriff	-	2,261	2,261
Due to St. John the Baptist Parish Council	-	20,350	20,350
Amounts held for school activities	432,615	-	432,615
Total Liabilities	\$ 432,615	\$ 175,509	\$ 608,124

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 242,430	\$ 1,552,062	\$ 1,361,877	\$ 432,615
Total assets	<u>\$ 242,430</u>	<u>\$ 1,552,062</u>	<u>\$ 1,361,877</u>	<u>\$ 432,615</u>
Liabilities:				
Amounts held for school activities	\$ 242,430	\$ 1,552,062	\$ 1,361,877	\$ 432,615
Total liabilities	<u>\$ 242,430</u>	<u>\$ 1,552,062</u>	<u>\$ 1,361,877</u>	<u>\$ 432,615</u>
Sales Tax Fund				
Assets:				
Cash and cash equivalents	\$ 332,207	\$ 38,364,938	\$ 38,521,636	\$ 175,509
Due from others	-	-	-	-
Total assets	<u>\$ 332,207</u>	<u>\$ 38,364,938</u>	<u>\$ 38,521,636</u>	<u>\$ 175,509</u>
Liabilities:				
Accounts payable	\$ 302,056	\$ 302,056	\$ 471,564	\$ 132,548
Due to other funds	14,282	14,282	8,214	20,350
Due to Sheriff	1,587	1,587	913	2,261
Due to St. John the Baptist Parish Council	14,282	14,282	8,214	20,350
Total liabilities	<u>\$ 332,207</u>	<u>\$ 332,207</u>	<u>\$ 488,905</u>	<u>\$ 175,509</u>
Total Agency Funds				
Assets:				
Cash and Cash equivalents	\$ 574,637	\$ 39,917,000	\$ 39,883,513	\$ 608,124
Due from others	-	-	-	-
Total assets	<u>\$ 574,637</u>	<u>39,917,000</u>	<u>39,883,513</u>	<u>\$ 608,124</u>
Liabilities:				
Accounts payable	\$ 302,056	\$ 302,056	\$ 471,564	\$ 132,548
Due to other funds	14,282	14,282	8,214	20,350
Due to Sheriff	1,587	1,587	913	2,261
Due to St. John the Baptist Parish Council	14,282	14,282	8,214	20,350
Amounts held for school activities	242,430	1,552,062	1,361,877	432,615
Total liabilities	<u>\$ 574,637</u>	<u>\$ 1,884,269</u>	<u>\$ 1,850,782</u>	<u>\$ 608,124</u>

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
AGENCY FUND
SCHEDULE OF CHANGES IN DEPOSIT BALANCES
OF INDIVIDUAL SCHOOLS
For the Year Ended June 30, 2006

SCHOOL ACTIVITY AGENCY FUND

	BALANCE JULY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2006
East St. John High School	\$ 120,067	\$ 631,888	\$ 600,567	\$ 151,388
East St. John Elementary School	962	75,482	44,281	32,163
Fifth Ward Elementary School	1,715	36,341	36,526	1,530
Garyville/Mt. Airy Magnet School	5,755	130,343	83,587	52,511
Lake Ponchartrain	7,074	104,947	83,750	28,271
John L. Ory School	5,490	143,969	122,394	27,065
LaPlace Elementary School	27,250	134,760	129,951	32,059
Leon Godchaux Junior High School	1,174	21,373	15,193	7,354
St. John Child Development Center	2,874	9,797	9,286	3,385
West St. John Elementary School	17,559	43,781	41,281	20,059
West St. John High School	52,510	219,381	195,061	76,830
Total	\$ 242,430	\$ 1,552,062	\$ 1,361,877	\$ 432,615

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SCHEDULE OF COMPENSATION PAID SCHOOL BOARD MEMBERS
For the Year Ended June 30, 2006

Board Member	Compensation
Clarence G. Triche	\$ 9,600
Lowell Bacas	9,600
Dowie L. Gendron	9,600
Gerald J. Keller, President	10,800
Elexia Henderson	9,600
Russ Wise	9,600
Russel Jack	9,600
Matthew J. Ory	9,600
Patrick Sanders, Vice President	9,600
Philip Johnson	9,600
Keith Jones	9,600
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Total	<u>\$ 106,800</u>

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STATISTICAL SECTION

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 1

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental Activities					
Invested in capital assets, net of related debt	\$ 7,624,299	\$ 6,879,722	\$ 4,955,848	\$ 1,565,657	\$ 9,931,558
Restricted	1,183,472	1,090,542	1,156,723	1,660,834	2,619,916
Unrestricted	<u>6,102,342</u>	<u>5,273,579</u>	<u>6,309,590</u>	<u>9,731,796</u>	<u>9,552,974</u>
Total governmental activities net assets	<u>\$ 14,910,113</u>	<u>\$ 13,243,843</u>	<u>\$ 12,422,161</u>	<u>\$ 12,958,287</u>	<u>\$ 22,104,448</u>

NOTE: Data for 1997 to 2001 is not reflected in this schedule since GASB Statement No. 34 became effective for fiscal year 2002.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

	Fiscal Year		
	2002	2003	2004
Expenses			
Governmental activities:			
Instruction:			
Regular programs	\$ 19,772,728	\$ 19,784,461	\$ 20,248,284
Special programs	10,243,308	11,407,112	11,584,844
Vocational programs	316,285	309,949	239,730
All other programs	1,754,972	2,354,578	2,308,797
Support services:			
Student services	2,140,092	2,411,708	2,348,836
Instructional staff support	895,101	935,262	922,409
General administration	2,196,707	2,385,267	2,813,429
School administration	3,019,261	3,178,424	3,219,785
Business services	543,579	555,792	525,215
Plant services	5,085,112	5,821,813	6,881,914
Student transportation services	2,291,647	2,360,755	2,656,631
Central services	740,893	831,030	688,649
Food services	2,418,379	2,626,535	2,828,091
Interest on long-term debt	1,722,124	1,046,720	1,080,253
Other expenses	2,616,808	-	-
Total governmental activities expenses	<u>55,756,996</u>	<u>56,009,406</u>	<u>58,346,867</u>
Total primary government expenses	<u>\$ 55,756,996</u>	<u>\$ 56,009,406</u>	<u>\$ 58,346,867</u>
Program Revenues			
Governmental activities:			
Charges for services:			
Food services	\$ 206,449	\$ 185,995	\$ 225,981
Operating grants and contribution			
Regular programs	666,269	203,526	136,148
Special programs	2,835,466	2,520,818	3,203,920
Vocational programs	103,082	114,358	114,828
All other programs	1,562,983	1,823,062	1,334,279
Support services:			
Student services			
Instructional staff support			
General administration	1,141,052	1,293,066	1,424,945
School administration	-	-	-
Business services			
Plant services	36,264	28,946	24,915
Student transportation services	196,678	167,770	188,721
Central services			
Food services	2,013,861	2,116,391	2,257,756
Interest on long-term debt			
Other expenses			
Total governmental activities program revenues	<u>8,762,104</u>	<u>8,453,932</u>	<u>8,911,493</u>
Total primary government program revenues	<u>\$ 8,762,104</u>	<u>\$ 8,453,932</u>	<u>\$ 8,911,493</u>

(continued)

	<u>2005</u>	<u>2006</u>
\$	21,379,204	\$ 24,349,500
	12,063,500	12,942,963
	219,572	215,483
	2,585,421	3,245,968
	2,336,802	2,660,527
	909,696	993,860
	2,710,209	2,662,521
	3,154,429	3,721,536
	525,486	543,780
	4,973,360	7,507,573
	2,893,520	3,043,732
	745,169	801,433
	2,896,033	3,074,365
	956,844	781,549
	-	-
	<u>58,349,245</u>	<u>66,544,790</u>
\$	<u>58,349,245</u>	\$ <u>66,544,790</u>
\$	200,657	\$ 212,647
	166,572	133,109
	3,888,749	3,678,346
	114,353	108,350
	1,713,170	5,372,331
	1,257,320	1,341,285
	-	-
	15,076	24,870
	145,143	109,353
	2,465,570	2,492,766
	<u>9,966,610</u>	<u>13,473,057</u>
\$	<u>9,966,610</u>	\$ <u>13,473,057</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS - CONTINUED
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

	Fiscal Year		
	2002	2003	2004
Net (expense)/revenue			
Governmental activities	(46,994,892)	(47,555,474)	(49,435,374)
Total primary government net expense	<u>\$ (46,994,892)</u>	<u>\$ (47,555,474)</u>	<u>\$ (49,435,374)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	\$ 3,685,143	\$ 3,572,987	\$ 3,757,869
Property taxes, levied for debt services	3,955,700	3,835,393	4,033,794
Sales and use taxes, levied for general purposes	10,217,724	9,743,052	10,621,588
Sales and use taxes, levied for public improvement	1,786,983	1,695,948	1,850,642
State revenue sharing	193,443	193,625	196,468
Grants and contributions not restricted for specific purposes:			
Minimum Foundation Program	23,625,342	25,686,872	26,724,913
Other	1,227,728	966,847	1,315,250
Interest and investment earnings	311,121	194,480	113,168
Special items - proceeds from legal judgment	893,296		
Miscellaneous	1,000		
Total governmental activities	<u>45,897,480</u>	<u>45,889,204</u>	<u>48,613,692</u>
Total primary government	<u>\$ 45,897,480</u>	<u>\$ 45,889,204</u>	<u>\$ 48,613,692</u>
Changes in Net Assets			
Governmental activities	<u>\$ (1,097,412)</u>	<u>\$ (1,666,270)</u>	<u>\$ (821,682)</u>
Total primary government	<u>\$ (1,097,412)</u>	<u>\$ (1,666,270)</u>	<u>\$ (821,682)</u>

NOTE: Data for 1997 to 2001 is not reflected in this schedule since GASB Statement No. 34 became effective for fiscal year 2002.

<u>2005</u>	<u>2006</u>
<u>(48,382,635)</u>	<u>(53,071,733)</u>
<u>\$ (48,382,635)</u>	<u>\$ (53,071,733)</u>
\$ 4,165,533	\$ 4,518,742
4,471,482	4,892,250
12,349,072	16,662,031
2,152,450	2,853,716
197,390	195,891
27,926,012	30,309,663
808,541	2,172,411
230,038	613,190
<u>52,300,518</u>	<u>62,217,894</u>
<u>\$ 52,300,518</u>	<u>\$ 62,217,894</u>
\$ 3,917,883	\$ 9,146,161
<u>\$ 3,917,883</u>	<u>\$ 9,146,161</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

TABLE 3

<u>Fiscal Year</u>	<u>Ad Valorem Tax</u>	<u>Sales and Use Tax</u>	<u>Total</u>
1997	\$ 6,635,796	\$ 8,798,539	\$15,434,335
1998	6,938,017	9,755,715	16,693,732
1999	6,701,392	10,995,604	17,696,996
2000	6,796,680	10,041,263	16,837,943
2001	7,273,261	12,311,018	19,584,279
2002	7,640,843	12,004,707	19,645,550
2003	7,408,380	11,439,000	18,847,380
2004	7,791,663	12,472,230	20,263,893
2005	8,637,015	14,501,522	23,138,537
2006	9,410,992	19,515,747	28,926,739

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

TABLE 4

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General fund				
Reserved	\$ 9,003	\$ 90,906	\$ 108,652	\$ 172,291
Unreserved	<u>664,203</u>	<u>760,325</u>	<u>2,550,911</u>	<u>2,868,696</u>
Total general fund	<u>\$ 673,206</u>	<u>\$ 851,231</u>	<u>\$ 2,659,563</u>	<u>\$ 3,040,987</u>
All other governmental funds				
Reserved	\$ 3,259,791	\$ 2,664,582	\$ 3,806,307	\$ 1,453,081
Unreserved, reported in:				
Special revenue funds	65,564	24,540	40,655	151,084
Capital projects funds	<u>1,487,788</u>	<u>2,957,044</u>	<u>852,879</u>	<u>1,877,685</u>
Total all other governmental funds	<u>\$ 4,813,143</u>	<u>\$ 5,646,166</u>	<u>\$ 4,699,841</u>	<u>\$ 3,481,850</u>

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 22,615	\$ 93,640	\$ 20,089	\$ 96,348	\$ 106,946	\$ 233,905
<u>6,624,877</u>	<u>6,403,219</u>	<u>4,102,260</u>	<u>3,963,711</u>	<u>4,961,236</u>	<u>9,281,688</u>
<u>\$ 6,647,492</u>	<u>\$ 6,496,859</u>	<u>\$ 4,122,349</u>	<u>\$ 4,060,059</u>	<u>\$ 5,068,182</u>	<u>\$ 9,515,593</u>
\$ 1,712,208	\$ 1,480,710	\$ 1,134,036	\$ 1,207,136	\$ 1,835,321	\$ 2,725,309
126,551	127,454	77,560	-	10,600	(21,828)
<u>2,931,169</u>	<u>1,632,105</u>	<u>3,288,704</u>	<u>1,068,695</u>	<u>604,546</u>	<u>3,033,404</u>
<u>\$ 4,769,928</u>	<u>\$ 3,240,269</u>	<u>\$ 4,500,300</u>	<u>\$ 2,275,831</u>	<u>\$ 2,450,467</u>	<u>\$ 5,736,885</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
CHANGES IN FUNDS BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 5

	Fiscal Year			
	1997	1998	1999	2000
Revenues				
Ad valorem taxes	\$ 6,635,796	\$ 6,938,017	\$ 6,701,392	\$ 6,796,680
Sales and use taxes	8,798,539	9,755,715	10,995,604	10,041,263
Interest earnings	582,200	709,716	579,013	550,563
Charges for services	194,810	198,511	183,725	183,095
Other	766,525	595,857	415,461	572,842
Minimum Foundation Program	17,277,512	18,130,196	19,744,903	20,768,749
Other state sources	1,252,868	1,797,087	1,661,550	1,363,391
Federal Grants	5,676,048	5,716,580	5,943,704	7,088,581
Total revenues	<u>41,184,298</u>	<u>43,841,679</u>	<u>46,225,352</u>	<u>47,365,164</u>
Expenditures				
Current:				
Instruction	20,805,077	23,134,831	23,933,481	25,264,944
Support services	13,112,118	14,151,982	15,056,771	15,104,552
Capital outlay	1,122,621	1,242,193	1,928,712	3,782,197
Debt service:				
Principal	2,387,887	2,461,966	2,660,148	2,714,923
Interest	1,979,201	1,976,368	1,785,896	1,853,572
Total expenditures	<u>39,406,904</u>	<u>42,967,340</u>	<u>45,365,008</u>	<u>48,720,188</u>
Excess of revenues over (under) expenditures	<u>1,777,394</u>	<u>874,339</u>	<u>860,344</u>	<u>(1,355,024)</u>
Other financing sources (uses)				
Transfers in	\$ -	\$ 56,525	\$ 1,050,000	\$ -
Transfers out		(56,525)	(1,050,000)	
Proceeds from the sale of capital assets	1,626	-	-	-
Premium on bonds sold	-	-	-	-
Discount on bonds sold	-	-	-	-
Payments to refunded bond escrow agent	-	-	(6,975,000)	-
Issuance of debt	-	-	6,976,663	518,457
Proceeds from insurance	-	-	-	-
Loan proceeds	-	389,903	-	-
Capital leases	-	-	-	-
Total other financing sources (uses)	<u>1,626</u>	<u>389,903</u>	<u>1,663</u>	<u>518,457</u>
Net change in fund balances	<u>\$ 1,779,020</u>	<u>\$ 1,264,242</u>	<u>\$ 862,007</u>	<u>\$ (836,567)</u>
Debt service as a percentage of noncapital expenditures	11.41%	10.64%	10.24%	10.17%

	2001	2002	2003	2004	2005	2006
\$	7,273,261	\$ 7,640,843	\$ 7,408,380	\$ 7,791,663	\$ 8,637,015	\$ 9,410,992
	12,311,018	12,004,707	11,439,000	12,472,230	14,501,522	19,515,747
	288,757	311,121	194,480	113,168	230,038	613,190
	167,150	206,449	185,995	225,981	200,657	212,647
	971,488	1,237,045	564,176	614,632	451,170	1,433,003
	23,128,143	23,625,342	25,686,872	26,724,913	27,926,012	30,309,663
	1,491,012	1,460,127	1,756,127	1,792,845	1,485,508	1,940,733
	6,988,074	7,280,654	7,108,106	7,789,753	8,835,206	12,254,976
	<u>52,618,903</u>	<u>53,766,288</u>	<u>54,343,136</u>	<u>57,525,185</u>	<u>62,267,128</u>	<u>75,690,951</u>
	26,615,253	30,831,168	32,816,597	32,956,838	35,175,354	39,235,224
	16,225,773	20,530,158	22,893,701	22,050,592	21,239,576	23,536,791
	4,674,779	906,906	509,662	270,072	186,869	593,904
	2,833,184	2,765,639	3,542,948	3,420,000	3,630,000	3,775,000
	1,585,331	1,306,006	1,094,707	1,114,442	1,022,570	816,203
	<u>51,934,320</u>	<u>56,339,877</u>	<u>60,857,615</u>	<u>59,811,944</u>	<u>61,254,369</u>	<u>67,957,122</u>
	<u>684,583</u>	<u>(2,573,589)</u>	<u>(6,514,479)</u>	<u>(2,286,759)</u>	<u>1,012,759</u>	<u>7,733,829</u>
\$	950,000	\$ 1,700,000	\$ 1,633,612	\$ 1,707,713	\$ 1,500,000	\$ -
	(1,100,000)	(1,700,000)	(1,633,612)	(1,707,713)	(1,500,000)	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(3,830,000)	-	(8,850,000)	-	(3,020,000)	-
	8,190,000	-	14,250,000	-	3,190,000	-
	-	893,297	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>4,210,000</u>	<u>893,297</u>	<u>5,400,000</u>	<u>-</u>	<u>170,000</u>	<u>-</u>
\$	<u>4,894,583</u>	<u>\$ (1,680,292)</u>	<u>\$ (1,114,479)</u>	<u>\$ (2,286,759)</u>	<u>\$ 1,182,759</u>	<u>\$ 7,733,829</u>
	9.35%	7.35%	7.68%	7.62%	7.62%	6.82%

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 6

Fiscal Year	Real Property Assessed Value	Other Property Assessed Value	Total Assessed Value	Amount of Homestead Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1997	\$ 20,303,993	\$ 180,155,195	\$ 200,459,188	\$ 55,833,412	\$ 144,625,776	46.81	\$ 1,382,477,159	14.50%
1998	21,038,935	184,608,740	205,647,675	57,272,616	148,375,059	46.59	1,418,259,828	14.50%
1999	21,790,320	185,335,562	207,125,882	58,864,202	148,261,680	46.59	1,428,454,359	14.50%
2000	23,007,164	189,528,144	212,535,308	60,669,556	151,865,752	46.59	1,465,760,745	14.50%
2001	23,843,894	198,599,230	222,443,124	62,950,401	159,492,723	46.59	1,534,090,510	14.50%
2002	25,119,581	211,659,719	236,779,300	64,884,024	171,895,276	46.59	1,632,960,690	14.50%
2003	25,698,735	213,311,804	239,010,539	66,995,819	172,014,720	46.59	1,648,348,345	14.50%
2004	26,291,242	216,130,028	242,421,270	67,444,625	174,976,645	46.59	1,671,870,828	14.50%
2005	28,889,702	237,168,743	266,058,445	73,278,332	192,780,113	46.59	1,834,885,828	14.50%
2006	29,871,639	255,812,283	285,683,922	75,088,592	210,595,330	46.59	1,970,233,945	14.50%

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 7

Fiscal Year	St. John the Baptist Parish School Board				Overlapping Rates			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Parish	Operating Millage	Debt Service Millage	Total Parish Millage	
1997	22.69	24.12	46.81	36.58	36.58	-	36.58	83.39
1998	22.47	24.12	46.59	37.06	37.06	-	37.06	83.65
1999	22.47	24.12	46.59	39.57	39.57	-	39.57	86.16
2000	22.47	24.12	46.59	40.27	40.27	-	40.27	86.86
2001	22.47	24.12	46.59	40.03	40.03	-	40.03	86.62
2002	22.47	24.12	46.59	40.03	40.03	-	40.03	86.62
2003	22.47	24.12	46.59	40.54	40.54	-	40.54	87.13
2004	22.47	24.12	46.59	40.15	40.15	-	40.15	86.74
2005	22.47	24.12	46.59	40.15	40.15	-	40.15	86.74
2006	22.47	24.12	46.59	46.59	46.59	-	46.59	46.59

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 PRINCIPAL PROPERTY TAXPAYERS
 June 30, 2006
 (UNAUDITED)**

TABLE 8

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Marathon Oil Company	\$ 72,714,973	1	25.45%	*	*	*
E.I. Dupont Denemours & Co.	8,971,762	2	3.14%	*	*	*
Nalco Chemical Company	4,667,390	3	1.63%	*	*	*
Bayou Steel Corporation	4,412,057	4	1.54%	*	*	*
Entergy Louisiana, Inc.	4,301,790	5	1.51%	*	*	*
DuPont Dow Elastomers	3,994,304	6	1.40%	*	*	*
Clark Oil	3,893,578	7	1.36%	*	*	*
Louisiana Machinery	3,146,412	8	1.10%	*	*	*
Reserve Telephone	2,786,320	9	0.98%	*	*	*
Cargill, Inc.	2,758,980	10	0.97%	*	*	*
TOTALS	<u>\$ 111,647,566</u>		<u>39.08%</u>	<u>*</u>		<u>*</u>

* Did not report in 1997.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 6,769,933	\$ 6,580,456	97%	\$ 134,295	\$ 6,714,751	99%
1998	6,912,794	6,651,472	96%	135,744	6,787,216	98%
1999	6,907,512	6,567,364	95%	134,028	6,701,392	97%
2000	7,075,425	6,660,746	94%	135,934	6,796,680	96%
2001	7,430,766	7,127,796	96%	145,465	7,273,261	98%
2002	8,008,601	7,733,578	97%	157,828	7,891,406	99%
2003	8,014,166	7,260,212	91%	148,168	7,408,380	92%
2004	8,152,162	7,860,808	96%	160,425	8,021,233	98%
2005	8,981,625	8,705,560	97%	177,665	8,883,225	99%
2006	9,811,636	9,480,058	97%	193,471	9,673,529	99%

Source: St. John the Baptist Parish Sheriff's Office

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 10

Fiscal Year	Governmental Activities										Total Primary Government	Percentage of personal Income	Per Capita
	General Obligation Bonds	Sales Tax Revenue Bonds	Notes to Banks	Capital Leases	Certificate of Indebtedness								
1997	\$ 35,905,000	\$ -	\$ -	\$ 168,356	\$ -						\$ 35,905,000	4.51%	\$ 813
1998	33,605,000	-	299,435	96,866	-						33,904,435	4.10%	802
1999	31,720,000	-	171,344	14,809	-						31,891,344	3.46%	709
2000	29,155,000	-	492,154	-	-						29,647,154	3.08%	653
2001	26,770,000	1,000,000	374,168	-	3,500,000						31,644,168	3.01%	735
2002	24,415,000	990,000	287,948	-	3,150,000						28,842,948	2.58%	656
2003	26,935,000	980,000	-	-	3,200,000						31,115,000	2.66%	695
2004	24,005,000	970,000	-	-	2,720,000						27,695,000	*	608
2005	21,040,000	960,000	-	-	2,235,555						24,235,555	*	527
2006	17,765,001	945,001	-	-	1,750,000						20,460,002	*	409

* Information not available

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 11

Fiscal Year	General Obligation Bonds *	Less: Amounts Available in Debt Service Fund **	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita ***
1997	\$ 35,905,000	\$ 3,237,858	\$ 32,667,142	2.36%	\$ 739.61
1998	33,605,000	2,685,445	30,919,555	2.18%	731.65
1999	31,720,000	1,957,421	29,762,579	2.08%	661.74
2000	29,155,000	1,258,391	27,896,609	1.90%	614.73
2001	26,770,000	755,196	26,014,804	1.70%	604.38
2002	24,415,000	1,079,941	23,335,059	1.43%	530.61
2003	26,935,000	986,983	25,948,017	1.57%	579.87
2004	24,005,000	1,037,767	22,967,233	1.37%	504.43
2005	21,040,000	1,541,877	19,498,123	1.06%	423.74
2006	17,765,001	2,516,355	15,248,646	0.77%	304.97

* Amount does not include special assessment, sales tax or revenue bonds.

** Amount available for repayment of general obligation bonds.

*** The 1997 through 2000 and 2002 through 2006 population is based on Research Division, College of Administration and Business, Louisiana Tech University. 2001 is based on the 2000 census.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2006
(UNAUDITED)

TABLE 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: St. John the Baptist Parish Council	\$ 17,765,000	100%	<u>\$ 6,645,929</u>
Subtotal, overlapping debt			<u>\$ 6,645,929</u>
St. John the Baptist Parish School Board	30,735,000	100%	<u>30,735,000</u>
Total direct and overlapping debt			<u><u>\$ 37,380,929</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Parish. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of St. John the Baptist Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Board's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

TABLE 13

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Debt limit	\$ 70,160,716	\$ 71,976,686	\$ 72,494,059	\$ 74,387,358
Total net debt applicable to limit	<u>(35,905,000)</u>	<u>(33,605,000)</u>	<u>(31,720,000)</u>	<u>(29,155,000)</u>
Legal debt margin	<u>\$ 34,255,716</u>	<u>\$ 38,371,686</u>	<u>\$ 40,774,059</u>	<u>\$ 45,232,358</u>
Total net debt applicable to the limit as a percentage of debt limit	51.18%	46.69%	43.76%	39.19%

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 77,855,093	\$ 82,872,755	\$ 83,653,689	\$ 84,847,445	\$ 93,120,456	\$ 99,989,373
(26,770,000)	(24,415,000)	(26,935,000)	(24,005,000)	(21,040,000)	(17,765,000)
<u>\$ 51,085,093</u>	<u>\$ 58,457,755</u>	<u>\$ 56,718,689</u>	<u>\$ 60,842,445</u>	<u>\$ 72,080,456</u>	<u>\$ 82,224,373</u>
34.38%	29.46%	32.20%	28.29%	22.59%	17.77%

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	<u>\$ 285,683,922</u>
(1) Debt Limit - 35% of \$285,683,922	99,989,373
Deduct - Amount of debt applicable to debt limit	
Bonded debt	<u>(17,765,000)</u>
Legal Debt Margin	<u>\$ 82,224,372</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 14

Fiscal Year	Parish Population (1)	Parish Total Personal Income	Parish Per Capita Personal Income (2)	Unemployment Rate (3)	School Enrollment	Median Age	Education Level in	
							Years of Formal	Schooling
1997	44,168	\$ 795,730,688	\$ 18,016	9.5%	6,915	*	*	*
1998	42,260	826,309,780	19,553	7.1%	6,765	*	*	*
1999	44,976	921,108,480	20,480	7.0%	6,698	*	*	*
2000	45,380	963,961,960	21,242	9.2%	6,646	*	*	*
2001	43,044	1,052,597,976	24,454	6.6%	6,563	*	*	*
2002	43,978	1,119,064,188	25,446	6.9%	6,310	*	*	*
2003	44,748	1,167,922,800	26,100	8.9%	6,400	*	*	*
2004	45,531	*	*	4.2%	6,449	*	*	*
2005	46,014	*	*	7.0%	6,585	*	*	*
2006	50,000	*	*	4.6%	6,764	*	*	*

Sources:

- (1) St. John Public Library
- (2) Survey of Current Business
- (3) Louisiana Department of Labor

* Information not available

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(UNAUDITED)**

TABLE 15

<u>Employer</u>	<u>Location</u>	<u>2006</u>			<u>1997</u>		
		<u>Employees</u>	<u>Rank</u>	<u>% of Total St. John Parish Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total St. John Parish Employment</u>
St. John Parish School Board	Reserve	1,000	1	7.19%	*	*	*
Walmart	Laplace	600	2	4.32%	*	*	*
Dupont	Laplace	575	3	4.14%	*	*	*
Marathon Oil	Garyville	554	4	3.99%	*	*	*
Bayou Steel	Laplace	504	5	3.63%	*	*	*
River Parish Hospital	Laplace	426	6	3.06%	*	*	*
Nalco Chemical	Garyville	240	7	1.73%	*	*	*
Pepsi America	Reserve	225	8	1.62%	*	*	*
Louisiana Machinery	Reserve	120	9	0.86%	*	*	*
Gargill	Reserve	111	10	0.80%	*	*	*
Pinnacle Polymers	Garyville	108	11	0.78%	*	*	*
TOTAL		<u>4,463</u>		<u>14.13%</u>	<u>*</u>		<u>*</u>

* Did not report in 1997

Source:
St. John the Baptist Parish Assessor's Office

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SCHEDULES REQUIRED BY STATE LAW

(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **St. John the Baptist Parish School Board** (the "School Board") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School Board management is responsible for the selected performance statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,

- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

No exceptions were noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1, 2005.

No exceptions were noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" to the combined total of principals and assistant principals per this schedule.

No exceptions were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 and as reported on the schedule. We traced a random sample of 25 teachers to the employee's personnel file and determined that the employee's education level was properly classified on the schedule.

No exceptions were noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No exceptions were noted.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 and as reported on the schedule and traced the same sample used in procedure 4 to the employee's personnel file and determined that the employee's experience was properly classified on the schedule.

No exceptions were noted.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the employee's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No exceptions were noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No exceptions were noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2005 roll books for those classes and determined that the class was properly classified on the schedule.

No exceptions were noted.

**Louisiana Educational Assessment Program (LEAP)
for the 21st Century (Schedule 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to the scores reported in the schedule by the School Board.

No exceptions were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

No exceptions were noted.

The IOWA Test (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

No exceptions were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

October 30, 2006

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2006

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	21,594,400	
Other Instructional Staff Activities		91,891	
Employee Benefits		7,829,997	
Purchased Professional and Technical Services		805	
Instructional Materials and Supplies		1,027,220	
Instructional Equipment		82,564	
Total Teacher and Student Interaction Activities	\$		30,626,877

Other Instructional Activities

Pupil Support Activities

		2,468,203	
Less: Equipment for Pupil Support Activities		-	
Net Pupil Support Activities			2,468,203

Instructional Staff Services

		959,370	
Less: Equipment for Instructional Staff Services		0	
Net Instructional Staff Services			959,370

Total General Fund Instructional Expenditures

\$ 34,054,450

Total General Fund Equipment Expenditures

\$ 82,564

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$	776,392	
Renewable Ad Valorem Tax		3,742,350	
Debt Service Ad Valorem Tax		4,892,250	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		8,822,851	
Sales and Use Taxes		7,839,180	
Total Local Taxation Revenue	\$		26,073,023

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property		66	
Earnings from Other Real Property		-	
Total Local Earnings on Investment in Real Property	\$		66

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	56,997	
Revenue Sharing - Other Taxes		138,894	
Revenue Sharing - Excess Portion		-	
Other Revenue in Lieu of Taxes		14,296	
Total State Revenue in Lieu of Taxes	\$		210,187

Nonpublic Textbook Revenue

\$ 111,965

Nonpublic Transportation Revenue

\$ 106,000

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Education Levels of Public School Staff
As of October 1, 2005

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0.00%	-	0.00%	-	0.00%	-	NA
Bachelor's Degree	324	76.42%	19	100.00%	-	0.00%	-	NA
Masters Degree	79	18.63%	-	0.00%	13	48.15%	-	NA
Masters Degree + 30	21	4.93%	-	0.00%	13	48.15%	-	NA
Specialist in Education	-	0.00%	-	0.00%	-	0.00%	-	NA
Ph. D. or Ed. D.	-	0.00%	-	0.00%	1	3.70%	-	NA
Total	424	100.00%	19	100.00%	27	100.00%	-	0.00%

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Number and Type of Public Schools
For the Year Ended June 30, 2006

Schedule 3

Type	Number
Elementary	7
Middle/Jr. High	1
Secondary	2
Combination	2
Total	12

Note: Schools opened or closed during the fiscal year are included in this schedule.

Disclosure: We only tested schools which offered a curriculum
higher than Kindergarten and did not exceed the twelfth grade level.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2005

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	3	3	8	0	0	0	0	14
Principals	1	2	9	0	0	0	0	12
Classroom Teachers	111	51	88	33	32	20	80	415
Total	115	56	105	33	32	20	80	441

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Public School Staff Data
For the Year Ended June 30, 2006

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 44,402.00	*
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 43,913.07	*
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	\$ 508.40	*

* Not available

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement.

Disclosure: Information was obtained from the Data Verification Report for the 2005-2006 school year.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Class Size Characteristics
As of October 1, 2005

School Type	Class Size Range											
	1 - 20		21 - 26		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50	396	47	379	3	24	0	0	0	0	0	0
Elementary Activity Classes	57	421	40	299	3	23	0	0	0	0	0	0
Middle/Jr. High	97	86	0	0	3	3	0	0	0	0	0	0
Middle/Jr. High Activity Classes	75	21	0	0	14	4	11	3	0	0	0	0
High	60	308	33	167	7	37	0	0	0	0	0	0
High Activity Classes	74	70	19	18	4	4	2	2	0	0	0	0
Combination	100	88	0	0	0	0	0	0	0	0	0	0
Combination Activity Classes	100	20	0	0	0	0	0	0	0	0	0	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2006

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	14	3%	11	2%	12	2%	15	3%	9	2%	9	2%
Proficient	60	11%	81	15%	83	15%	66	12%	48	9%	46	8%
Basic	238	44%	250	45%	230	43%	206	38%	231	41%	209	39%
Approaching Basic	127	23%	133	24%	119	22%	134	25%	146	26%	141	26%
Unsatisfactory	105	19%	83	15%	96	18%	123	23%	125	22%	137	25%
Total	544		558		540		544		559		542	

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	0%	1	0%	0	0%	0	0%	3	1%	2	0%
Proficient	25	5%	48	10%	31	6%	1	0%	22	5%	24	5%
Basic	134	27%	124	27%	127	25%	188	39%	177	38%	189	38%
Approaching Basic	209	41%	172	37%	194	39%	176	36%	129	28%	170	34%
Unsatisfactory	136	27%	121	26%	148	30%	123	25%	133	29%	113	23%
Total	505		466		500		488		464		498	

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2006

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 10												
Advanced	0	0%	3	1%	1	0%	14	3%	5	1%	5	1%
Proficient	18	4%	23	6%	30	7%	27	6%	30	8%	19	4%
Basic	179	37%	154	39%	125	30%	161	33%	137	34%	136	30%
Approaching Basic	152	32%	112	28%	102	25%	107	22%	80	20%	92	20%
Unsatisfactory	129	27%	106	27%	156	38%	173	36%	147	37%	209	45%
Total	478		398		414		482		399		461	

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 11												
Advanced	2	1%	1	0%	0	0%	2	1%	0	0%	0	0%
Proficient	14	4%	17	6%	17	5%	6	2%	13	4%	10	3%
Basic	78	22%	75	25%	92	26%	140	38%	116	39%	151	36%
Approaching Basic	133	37%	100	33%	103	29%	94	26%	85	28%	95	31%
Unsatisfactory	135	37%	106	35%	147	41%	123	34%	85	28%	103	30%
Total	362		299		359		365		299		359	

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Schedule 9

**The IOWA Tests
For the Year Ended June 30, 2006**

	Composite		
	2005	2004	2003
Test of Basic Skills (ITBS)			
Grade 3	48	50	48
Grade 5	49	51	46
Grade 6	41	40	38
Grade 7	44	45	37
Tests of Educational Development (ITED)			
Grade 9	40	42	41

NOTE: 2005 was the last year of Iowa testing. From 2006 onwards LEAP has taken its place. The composite scores are for Iowa testing in the years 2005, 2004, 2003.

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**INDEPENDENT AUDITOR'S REPORTS
AND INFORMATION REQUIRED BY THE
SINGLE AUDIT ACT AMENDMENTS OF 1996
AND
*GOVERNMENT AUDITING STANDARDS***

For the Year Ended June 30, 2006

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish School Board (the "School Board"), as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated October 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Questioned Costs as item 06-1.

This report is intended solely for the information and use of the Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

October 30, 2006

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

Compliance

We have audited the compliance of St. John the Baptist Parish School Board (the "School Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The School Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2006, and have issued our report thereon dated October 30, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

October 30, 2006

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2006**

<u>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</u>	<u>Grant Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture: Passed-through Louisiana Department of Agriculture and Forestry - Food Distribution	-	10.550	\$ 169,102
Passed-through Louisiana Department of Education: National Breakfast Program	-	10.553	553,190
National School Lunch Program (Sections II & IV)	-	10.555	<u>1,770,475</u>
Total United States Department of Agriculture			<u>2,492,767</u>
United States Department of Health and Human Services: Direct Program - Administration for Children, Youth and Families - Head Start	-	93.600	1,197,524
Passed-through Louisiana Department of Education: Prevention Health Services - Medicaid	-	N/A	108,832
Passed-through Louisiana Department of Family Support: Starting Points Preschool Program	280538-48	93.558	<u>56,409</u>
Total United States Department of Health and Human Services			<u>1,362,765</u>

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2006

<u>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</u>	<u>Grant Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education: Passed-through Louisiana Department of of Education:			
Adult Education (ABE):			
2005 ABE Basic Carryover	0444-48	84.002A	\$ 4,912
2006 ABE Basic	0444-48	84.002A	21,313
2005 ABE Corrections Carryover	0444-48	84.002A	4,076
2006 ABE Corrections	0444-48	84.002A	3,896
One Stop Center – Adult Education	0444-48	84.002A	<u>3,080</u>
			<u>37,277</u>
Improving America's Schools Act -			
2006 Lake Ponchartrain	-	84.010A	45,859
2005 Title I	05-T1-48	84.010A	556,874
2006 Title I	06-T1-48	84.010A	<u>1,771,827</u>
			<u>2,374,560</u>
Special Education:			
2005 IDEA Part B Carryover		84.027	244,749
2006 IDEA Part B	06-B1-48	84.027	1,070,708
2005 Preschool	05-P1-48	84.173	36,198
2006 Preschool	06-P1-48	84.173	<u>55,719</u>
			<u>1,407,374</u>
Vocational Education:			
2006 Carl Perkins	28-06-02-48	84.048	108,350
2005 S.T.E.P. – TANF funds	28-05-EP-48	93.558	<u>2,821</u>
			<u>111,171</u>

(Continued)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2006**

<u>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</u>	<u>Grant Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Title II - Part A Teacher Quality			
2005 Title II	28-05-50-48	84.367A	\$ 126,968
2006 Title II	28-06-50-48	84.367A	<u>185,935</u>
			<u>312,903</u>
Title II -- Part D Enhancing Education through Technology			
Title II Part D 2005	28-0549-4 8	84.318X	2,017
Title II Part D 2006	28-0649-48	84.318X	<u>26,757</u>
			<u>28,774</u>
Title III - LEP			
2005 Title III - LEP	28-05-60-48	84.365A	2,824
2006 Title III - LEP	28-06-60-48	84.365A	4,079
Title III - Student Influx 2005	05-S3-48	84.365A	<u>-</u>
			<u>6,903</u>
Title IV - Drug-Free Schools and Communities			
2004 Title IV	28-05-70-48	84.186A	6,065
2005 Title IV	28-06-70-48	84.186A	<u>44,288</u>
			<u>50,353</u>
Title V - Innovative Education Program Strategies			
2005 Title V	28-05-80-48	84.298.A	1,697
2006 Title V	28-06-80-48	84.298.A	<u>275,822</u>
			<u>277,519</u>

(Continued)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2006**

<u>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</u>	<u>Grant Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
LA Gear-Up	05-321GARY	84.334S	<u>56,654</u>
Hurricane Education Recovery Act Programs		84.938C	2,424,757
Hurricane Education Recovery Act Programs		84.938C	<u>978,011</u>
			<u>3,402,768</u>
Total United States Department of Education			<u>8,066,257</u>
United States Department of Homeland Security			
FEMA – Public Works		97.036	<u>436,417</u>
Total United States Department of Education			<u>436,417</u>
Total Expenditures of Federal Awards			<u>\$12,358,206</u>

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2006**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. John the Baptist Parish School Board (the "School Board"). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2006. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2006. The value of noncash assistance is the fair value of the noncash items used during the year. Any received but unused commodities are reflected as deferred revenue until used.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the School Board's basic financial statements as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
From federal sources	<u>\$6,395,712</u>	<u>\$5,962,494</u>	<u>\$12,358,206</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the St. John the Baptist Parish School Board (the "School Board").
2. No reportable conditions in internal control over financial reporting are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. One instance of noncompliance material to the financial statements of the School Board, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the School Board expresses an unqualified opinion on all major federal programs.
6. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The following programs were identified as major programs:

<u>Name of Federal Program (or Cluster)</u>	<u>CFDA No.</u>
Special Education IDEA Part B	84.027
FEMA	97.036
Hurricane Education Recovery Act Programs	84.938C

8. The threshold for distinguishing Types A and Type B programs was \$300,000.
9. The School Board qualified as a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2006.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2006

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

COMPLIANCE

Finding 06-1 Budgetary Compliance

Condition:

We noted that the Lunch/Breakfast Special Revenue Fund's expenditures exceeded the projected budget expenditures by 5% or more and the School Board failed to prepare an amended budget.

Criteria:

The Louisiana Budget Act, Revised Statute 39:1311, requires that the School Board amend their budget when total revenue and other sources are failing to meet budgeted revenues and other sources by 5% or more, total expenditures and other uses are exceeding budgeted expenditures and uses by 5% or more, or actual beginning fund balances are failing to meet estimated beginning fund balances by 5% or more. The Statute further requires all school boards to prepare budgets on their general and special revenues funds.

Effect:

The budget was not amended in accordance with Louisiana statutes.

Cause:

The School Board did not amend the budget for additional expenditures associated with students that were displaced as a result of Hurricane Katrina.

Recommendation:

Management should provide the requirements of the Louisiana Budget Act to all responsible parties, noting the importance of complying with all aspects of the law.

Response:

See Management's Corrective Action Plan for their response.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2006

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM
AUDIT**

There were no findings related to federal awards for the year ended June 30, 2006.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2006**

SECTION I FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

Finding 05-1: SCHOOL ACCOUNT RECORDS (REPEAT FINDING)	Resolved.
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SECTION II FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings reported in this section.

SECTION III OBSERVATIONS REPORTED IN THE MANAGEMENT LETTER

OBSERVATION 05-1: OPERATING POLICIES AND PROCEDURES	Resolved
OBSERVATION 05-2: SALES TAX RECEIPTS	Resolved
OBSERVATION 05-3: FIXED ASSETS	Resolved.
OBSERVATION 05-4: GASB NO. 45	Resolved.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2006**

Finding 06-01 – Budgetary Compliance

Recommendation:

Management should provide the requirements of the Louisiana Budget Act to all responsible parties, noting the importance of complying with all aspects of the law.

Corrective Action:

The School Board will more closely monitor its budgeting procedures to ensure all budgets are in compliance with the state budget law.

Implementation Date:

Immediately.

Contact:

Felix K. Boughton, CPA, Executive Director of Finance (985) 536-1106